Daily Report

Latin America

FBIS-LAT-93-146
Monday
2 August 1993

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FBIS-LAT-93-146 *2 August 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Presidents Sign Amapala Summit Document *[Tegucigalpa Radio]* 1
Governments Endorse Taiwan's Admission to United Nations *[Panama City ACAN]* 7

CARIBBEAN

Cuba

Castro Sao Paulo Forum Closing Speech *[Havana TV]* 3

Inter-Caribbean Affairs

Winban Discusses Plans To Restructure Banana Industry *[CANA]* 16

Haiti

Army Communique on Attack on Senator Dupiton *[Port-au-Prince Radio]* 17
Jean-Louis Resigns; Senate Presidency Elections Announced *[Port-au-Prince Radio]* 17
Chamber of Deputies Finalizes Executive Structure *[Port-au-Prince Radio]* 18
Former Senator Announces New 'Compromise' Party *[Port-au-Prince Radio]* 18

Jamaica

Opposition Threatens Action Against Elections Director *[CANA]* 18

Trinidad and Tobago

Gas Prices Increase by 9 to 15 Percent *[CANA]* 19
Finance Minister Views Divestment as Opportunity *[CANA]* 19

MEXICO

Solana Vows To Oppose Rights Violations of Citizens Abroad *[NOTIMEX]* 21
Cuban Ambassador to Mexico Expresses Concern for 'Crisis' *[NOTIMEX]* 21
Commerce Secretariat Issues Foreign Trade Law *[NOTIMEX]* 21

CENTRAL AMERICA

El Salvador

FMLN Reacts to Nicaragua's H. Ortega Remarks on Arms Caches *[Panama City ACAN]* 22

Nicaragua

H. Ortega Reacts to U.S. Aid Suspension *[Managua Radio]* 22
Defense Minister Ortega News Conference *[Managua Radio]* 28
Former Recontra Ready for 'Short-Term Guerrilla War' *[AFP]* 32
Chamorro Goes to Houston for Medical Examination *[Panama City ACAN]* 33

SOUTH AMERICA

Argentina

Di Tella Denies Plan To Pay Islanders To Leave Falklands *[BUENOS AIRES HERALD 31 Jul]* . 34

Bolivia

President-Elect Interviewed on Chilean Ties *[Santiago TV]* 34
'Hyperinflation' Biggest Concern *[Madrid EFE]* 36
Government Denies Arms Smuggling to Croatia *[La Paz TV]* 37

Brazil

Franco Hints at 'Mini-Cabinet Reshuffle' To Boost Support *[FOLHA DE SAO PAULO 29 Jul]* ... 37
Cardoso Reacts to Remarks by Government Bloc Leaders
[O ESTADO DE SAO PAULO 29 Jul] 38
Head of Economic Mission Leaves 'Unwillingly' for IMF Talks *[VEJA 26 Jul]* 38
* Retired Military Debate Coup Possibilities *[VEJA 14 Jul]* 39

Chile

Paz Zamora Says Remarks Not Intended To Offend Chile *[Santiago TV]* 40
President Aylwin, Senator, Regret U.S. Decision *[Santiago TV]* 41
Aylwin Assesses Talks With Military; To Address Nation 3 Aug *[Santiago Radio]* 41
Candidate Frei Notes Need To Sign Trade Agreement With U.S. *[Santiago TV]* 42

Colombia

President Gaviria Cautions UN Security Council *[Santa Fe de Bogota 27 Jul]* 42
Government Denies Embassy Target of Caracas Attack *[AFP]* 42

Ecuador

President Duran-Ballen Praises Relations With Peru *[Quito Radio]* 43
Defense Ministry Signs Human Rights Defense Program *[Quito Radio]* 43

Paraguay

Defense Minister Rebuked by Rodriguez; Stands His Ground *[NOTICIAS 30 Jul]* 43
Rodriguez Indicates Possible Changes in Armed Forces *[ABC COLOR 30 Jul]* 43

Peru

Bolivian President Addresses Congress *[Lima Radio]* 44
Venezuelan Congressman Calls for Andean Summit *[LA REPUBLICA 21 Jul]* 46
Government Using 'Direct Diplomacy' in 'Image' Campaign *[EXPRESO 21 Jul]* 46
Articles Note MRTA Difficulties, Disbanding *[EL COMERCIO 19 Jul]* 47
CCD Approves Articles on Taxes, Budget, Banks, Land Policy *[EL COMERCIO 21 Jul]* 48
* Drug Traffickers' Move to Apurimac Valley Viewed *[CARETAS 1 Jul]* 49

Uruguay

Iliescu Discusses Ties With Uruguayan President *[Bucharest ROMPRES]* 50
Lacalle, Romania's Iliescu Issue Joint Declaration *[Montevideo Radio]* 50
Sign Cooperation Documents *[Bucharest ROMPRES]* 51
Defense Minister Brito 'Lied' Over Berrios Case *[Montevideo Radio]* 51

Venezuela

President Velasquez Denies 'Chaos' Reigns *[Hamburg DPA]* 52
Ochoa Claims Foreign Groups Try To Destabilize Country *[Madrid EFE]* 52

Presidents Sign Amapala Summit Document

PA0108004693 Tegucigalpa Voz de Honduras Network in Spanish 1900 GMT 30 Jul 93

[News Conference by Honduran President Rafael Leonardo Callejas, Salvadoran President Alfredo Cristiani, Nicaraguan President Violeta Barrios de Chamorro, and Guatemalan President Ramiro De Leon Carpio, moderated by Honduran Presidential Press Secretary Olman Serrano Lagos, at the Amapala Naval Base on Amapala Island, Honduras—live]

[text] [Serrano Lagos] Messrs. journalists of El Salvador, Nicaragua, Guatemala, and Honduras, as well as international media representatives accredited in our country, we will be ready to start this news conference shortly. We have set up microphones and speakers here so you can have your audio for television and radio. We have a microphone on a pedestal at that end so you can ask any questions you wish. Prior to the news conference, we will proceed to the signing of one of the documents that was issued at the end of the meeting.

The joint declaration states:

The presidents of El Salvador, Honduras, and Nicaragua, in the presence of the Guatemalan president on the occasion of the Amapala Summit held on this date declare:

1. That their respective countries recognize that they have interests in the Gulf of Fonseca, interests they want to safeguard jointly.

2. That a coordinated action by their governments and the region's active sectors is necessary to promote a new era of cooperation in the Gulf of Fonseca.

3. That it is important to establish joint patrols and maritime police activities to avoid any friction or difficulties that may occur in the Gulf of Fonseca.

Consequently, they decide the following:

a. To cooperate in policies to preserve and conserve the ecosystem in the Gulf of Fonseca.

b. To cooperate in activities to exchange information on drugs and arms trafficking, the transit of illegal aliens, contraband, and other illegal activities.

c. To establish joint and combined maritime patrols in the Gulf of Fonseca area.

d. To cooperate in search and rescue operations in the event of natural disasters.

e. To maintain policies for the rational exploitation of the Gulf in a sustained and supervised manner as it is a natural breeding place for many species.

f. To define areas for subsistence fishing in accordance with the Gulf's potential and using the fishing equipment mentioned in fishing laws, not permitting commercial fishing and with a view to modernize their laws.

g. To cooperate with policies to support maritime security [two-minute break in reception]

[Station announcer, in progress] ...just like the other presidents who visited Honduras this morning [one-second break in reception] discussed very important matters concerning the economic integration process, the joint struggle to fight international drug trafficking, and the actions by the various immigration offices of these Central American countries to prevent the transit of illegal aliens, who are in the hands of unscrupulous people who charge large amounts to transfer them to the United States, as reported by Central American immigration officials.

They discussed an important aspect topic: the need to adopt measures to regulate the transit of parents who travel from one country to another without documents to confirm that the children with them are theirs. The Central American presidents discussed all these topics.

As Government Minister Jose Celin Discua noted, the Central American immigration directors will meet in Tegucigalpa in mid- August to discuss these matters more carefully to reach respective agreements. This meeting could also include the Central American government ministers.

The Central American presidents signed the declaration here at the Amapala Naval Base and will begin their news conference in a few minutes. Media representatives of the four countries participating in this meeting will participate in this news conference.

It was also reported that the Central American presidents expressed support for Nicaraguan President Violeta Barrios de Chamorro with regard to the suspension of U.S. economic aid. They also discussed the free transit of merchandise and medicine that will allow these countries to have a full supply of generic medicines that will replace medicines from Europe or other North American countries. These medicines are very expensive for the region's countries.

Guatemala and El Salvador are the main producers of medicine in the area and they could supply the other countries, whether through direct sales or through an exchange for other products or basic grains....

[Serrano Lagos, interrupting] Here is another joint communique: The presidents of El Salvador, Nicaragua, and Honduras agree to reaffirm their support for the agreements of the government and people of Guatemala that seek to strengthen their institutional process and to attain peace; they also wish to voice their support for the search for solutions to the just demands of the Guatemalan people.

The presidents of El Salvador, Guatemala, and Honduras agree to reaffirm their firm support of the Nicaraguan Government and of President Violeta Chamorro

for their sincere agreements in favor of democratization and consolidation of the country's peace process. We make a vehement call on friendly countries and organizations to continue supporting the Nicaraguan democratic process. Issued in Amapala on 30 July 1993.

Those were the two agreements signed at this presidential meeting. We will now start the news conference. We have a standing microphone on that side and reporters can stand in line behind it. You should identify your media and address a question to the presidents.

[Announcer] The news conference will start now. Honduran President Rafael Leonardo Callejas will speak.

[Callejas] Messrs. journalists: For the Honduran people and government and the inhabitants of Amapala—as you had the opportunity to confirm this morning—it has been a great pleasure and high honor to host this second meeting of the Central American Four [CA-4] Group. As you may recall, the first was held in Managua and Nicaragua was incorporated into this process at it. Thus, this is the second, and the third meeting will take place in the Trifinio Region on 27 August. Central American Parliament [Parlacen] deputies will also be invited to attend this important event.

I would like to present a brief report on the results of the working meeting. We met with the Federation of Central American Industrial Chambers and Associations, Fecaica. In a letter this group voiced a number of concerns to the governments regarding the participation of the industrial sector in the integration process [words indistinct] executive council and consultative council, and give old ones a new role [two-second break in reception] Fecaica representatives or the secretary of the Secretariat of Central American Economic Integration or Dr. Roberto Herrera Caceres, the secretary of Servicio Informativo Centroamericano. They requested the modification of tariffs on raw materials from the current 5 to 20 percent to 0 to 20 percent.

We also met with Parlacen representative Dr. Jose Francisco Guerrero in the absence, due to health reasons, of Parlacen President Ilsa Diaz Zelaya. We discussed two [word indistinct] political topics. The first included a number of proposals pertaining to the Trifinio Region and to initiatives on the management of natural resources in the Gulf of Fonseca area.

As for specific work done during the CA-4 Group meeting in the presence of Presidents Violeta Chamorro of Nicaragua, Ramiro De Leon Carpio of Guatemala, and Alfredo Cristiani of El Salvador, the agenda included the following topics: Free movement of people, transit of vehicles, free transit of merchandise, implementation of fiscal policies, exchanges among bank branches, reports on infrastructure, and free trade of medicines and sanitary products. We can say there has been receptivity and very positive action on the part of all. The topic of free movement of people is already a reality in the CA-4 Group.

With respect to vehicle transit, some actions have been taken mostly oriented toward accomplishing, in the medium term, a law to be confirmed in Central America related to vehicle ownership. In addition, actions have also been taken to establish, in due time since every country has its own specific features, means that will allow a single license plate for the four countries: Guatemala, Honduras, El Salvador, and Nicaragua. These license plates will have a specific code number. In Honduras' case the code will be 01, and so forth, successively for the rest of the four countries. It expected that in a short while Panama and Costa Rica, the two other countries involved in the integration effort, will incorporate the system.

As relates to the free transit of merchandise, we feel satisfied with the current movement. Very concrete and significant actions are taking place. But some problems still persists such as illegal service charges by mostly land customs officials. We plan to oversee this issue more seriously and even jointly announce that no country member of the CA-4 has to pay for any type of immigration or customs services charges.

We also discussed the possibility of free transit for all agricultural and livestock products. In the meeting scheduled to take place in El Salvador on 27 August we plan to specifically discuss this issue and issues related to medicines. The objective is to coordinate all technical aspects and the quality of medical and agricultural products.

We agreed to continue working toward harmonizing each country's fiscal policy, as result of which we had originally set the year 1999 as a final date. We believe, however, that it is feasible to expedite efforts in some specific areas so we have instructed the Central American economic cabinets to proceed to develop specific actions with the technical group to harmonize all Central American fiscal policies some time before 1999.

As relates to the exchange of banking branches, the central banks of the four Central American countries will prepare a document that will be presented to the Central American Monetary Council by the end of August. The document, which will be based on current consensus on general banking measures, will be presented to the CA-4 presidents no later than 27 August during the meeting in El Salvador.

With respect to infrastructure, activities continue to be developed, including the possibility of undertaking energy sector agreements between Honduras and El Salvador. Other possible agreements include integrating the Republic of Nicaragua into these proposals that have been developing in energy, telecommunications, and transportation. Air transportation has been specifically emphasized.

The summit ratifies that this is a means through which the CA-4 presidents will be able to implement everything related to the most significant aspects of the integration of our four nations. I reiterate my appreciation to the

presidents of Nicaragua, Guatemala, and El Salvador for having allowed me the pleasure of having them here on this beautiful island, in the port of Amapala. Thank you.

[Villanueva] Mr. President, I am Armando Villanueva of EL HERALDO. I would like to know what definite measures will you take to truly guarantee the freedom of movement of vehicles, merchandise, and people across the border and that payments will not be demanded by customs officials? I ask this question because similar agreements have been reached in the past, but customs continues to charge taxes under any pretext to people, merchandise, and vehicles that cross the border. To President Cristiani and President Violeta Chamorro, I would like to ask what steps have been taken to investigate the arms caches found in Managua?

[Callejas] Regarding the first topic, I would like to clarify: Central America no longer has any taxes for free trade products. The payments you refer to are illegal and have nothing to do with the governments. We will continue encouraging measures to prevent these illegal charges from be levied. They are, according to the reports supplied to us by the ministers, the exception rather than the rule. The exception is not acceptable and we want to end these illegal charges; these are not taxes.

I want to reiterate this position clearly to eliminate any misunderstanding. The countries have agreed to freedom of movement of persons and goods, for which the governments are not to make any charges. Thus any charge is illegal and each country will need to deal with this. Checks will be made to ensure that charges to citizens do not hinder the free trade agreements process or the movement of goods and persons among the CA-4 countries.

[Chamorro] I am Violeta Chamorro from Nicaragua. I first want to congratulate you for the natural beauty of this island. I feel very happy and pleased to be with my three colleagues. I want to answer the gentleman who asked about the caches. Truly, my dear friend I do not wish this on anyone. After a sad war of Nicaraguan against Nicaraguan, this is something reprehensible; I cannot tolerate it. It is true, a few months ago, by sheer miracle, a Volkswagen vehicle and a house blew up full on gunpowder; this was the scandalous cache, but it turned out not to be one cache but six, seven. The government minister can explain this. These were full [preceding word in English] of weapons, full [preceding word in English] of everything. If this had exploded at some other time we would not be alive telling you this now. I want to say this is terrible, horrible; I would not wish it on anyone. I would not wish it on any president to have to say what I am saying to you now. I condemn this, and I reject this.

So then what I am doing? I have called the FBI and the Interpol, as they are the experts in these matters so that they watch over and help supervise. If these gentlemen [words indistinct] tell the truth, if they say that so-and-so is an accomplice in this, well, he will be brought to trial. This is what is happening now in Nicaragua.

At first I felt somewhat relieved because it was said that this was a matter only between Nicaraguans. However, now it seems—among the many things that emerged [words indistinct] a large number of individuals. I call them henchmen, so as not to say it in another way [words indistinct]. There were people from ETA [Basque Fatherland and Liberty] and from all over the world with [words indistinct] to murder persons. This is to be condemned; this is to be rejected. [Words indistinct] unfortunately.

As I said before, I hope that these gentlemen soon will return to Nicaragua and that they will disclose what they have found and say who is responsible.

In the beginning the friends of the Sandinists, the Salvadorans, said they had nothing do with those caches. However, now [words indistinct] they do have something to do with those caches. This will be cleared up when Interpol and the FBI return, because they do not trust us. They do not believe in our justice. This is why they are coming here.

[Cristiani] We heard Mrs. Chamorro say this morning basically the same thing she told you, in the sense that her government is interested in getting to the bottom of the situation on the discovery of the arms caches. She said she has invited Interpol and the FBI to assist in conducting an investigation to get to the bottom of things. Regarding El Salvador, the peace process is affected in the sense that the Farabundo Marti National Liberation Front [FMLN] or one of its groups specifically, [14-second break in reception] so that the FMLN will turn over the weapons it had not turned over in a timely manner. It has been doing so. As Mrs. Chamorro said, it was not only on Nicaraguan territory, it was not only one arms cache but several. Also, there were weapons found on Salvadoran territory that were inventoried and destroyed. This process will end on 4 August, according to the United Nations. A verification process will follow, with a complementary inventory of the weapons before a final inventory is made.

As far as El Salvador is concerned, we are interested in getting to the bottom of this situation about the weapons caches, not only for the sake of the peace process but also because of the implications that this has for Central America, regardless of which country is being used to sponsor global terrorism. We believe the Central American people have faced enough problems; we will not let terrorists from different countries and of different nationalities use us to develop activities like the illegal sale of weapons, kidnappings, and terrorism, and let Central Americans suffer the consequences.

I believe that the investigations initiated by Mrs. Chamorro will yield results, permitting those who are guilty in this case to be taken to court.

[First unidentified reporter] Regarding the investigations made on the links surrounding this case, the U.S. Senate approved a resolution suspending the delivery of economic aid to Nicaragua. What is the position of the Central American presidents in light of that U.S. decision?

[Cristiani] We have discussed this situation, and, as I said, we do not want to allow legitimately elected governments to suffer consequences—not only the governments but also the peoples—prompted by what some minority interests are trying to do, thus violating the laws, not only of their countries, but also international laws.

In this case, we believe that, as the objective is to uncover the truth and to get to the bottom of the Nicaraguan weapons cache affair—and that is the objective of the pressure being exerted in freezing U.S. aid to Nicaragua—I believe it would be timely for the United States to see the good faith with which the Nicaraguan Government is acting and again become a country that contributes to finding a solution to the problem in Nicaragua.

Our criteria are very personal. We are convinced that the government headed by Mrs. Violeta Chamorro has nothing to do with the weapons caches. We will not make any claims about who actually is involved, but I think we all can figure it out for ourselves.

[Announcer] Now Mayra Navarro is asking a question.

[Navarro] [Words indistinct] President Chamorro also said that everyone who is responsible for letting Nicaraguan territory be used by the forces of international terrorism. In this connection, I want to ask President Violeta Chamorro if this includes an investigation of the Sandinist Peoples Army and a purge of this Army if it is determined that they are the ones allowing the territory to be used.

[Chamorro] [Words indistinct] when I became president my country was still at war. The first thing I sought was reconciliation among all Nicaraguans, asking them to forgive each other so that we might live in peace, thus implementing the democracy we won three years ago. Democracy in Central America cannot be lost now.

Regarding your question, there were no papers left—I call property deeds papers. Nothing was left because the previous administration took away everything; they practically took the water too. These cases are being worked on slowly; they are being studied one by one. Now we are preparing the draft bill that I will send to the National Assembly as soon as possible to see what changes can be made in the Army. These are things that cannot be done overnight. because if you go too quickly in a country that is full of weapons.... [pauses] Every day I ask, and perhaps some of the Nicaraguans here will listen to me—I ask that they lay down their weapons because we want peace and tranquility and want to rebuild our fatherland. That is my wish. This is why I will soon present to the National Assembly under which when a person reaches seniority he leaves so as to renew people and bring in fresh faces.

[Second unidentified reporter] My question is directed to Guatemalan President Ramiro De Leon Carpio. You said this morning that preliminary steps had already been taken to seek the extradition of former Guatemalan President Jorge Serrano Elias. I would like you to explain how far these steps have gone and if he could be back in Guatemala during your term in office? Lastly, what is your policy toward the guerrillas in your country?

[De Leon] The government I am honored to lead, responding to the exigencies and the mandate of the Guatemalan people, has presented all requirements for the extradition of former President Serrano and other officials during that administration [15-second break in reception] the former president may be brought back to Guatemala under extradition and be tried for alleged political crimes and for alleged common crimes. I was asked this morning if the Guatemalan people were hurt so much and I replied and I now reiterate, that yes, indeed, the people are very hurt over what was done to them from the financial point of view and from the political, legal, and constitutional points of view. That is why it is my government's duty is to carry out all the necessary work, go through all the legal motions, to extradite him.

This does not mean that I do not regret the criminal attack he suffered because violence is not the way to resolve this type of problem. But I expect and firmly hope that I can have him extradited during my term in office. Regarding my government's position on the Guatemalan guerrillas, we have already presented an initial peace proposal. We regret very much the feedback we have received from various sectors. We presented the proposal at three levels. First at the international level, with international mediation, so that negotiations continue to seek an end to the armed confrontation, which has been going on in Guatemala for over 30 years.

The second [word indistinct] is a permanent forum for peace to take place in Guatemala with the participation of all sectors including the Guatemalan National Revolutionary Unity [URNG]. The third level in this operation is part of my government's economic policy to reach rural Guatemalans and fight poverty. Unfortunately, the URNG answer was partly negative. They did not accept coming to Guatemala to take part in reconstruction for peace. With this decision they refused a golden opportunity that was offered to them. This is evidence of their lack of political will to continue or restart the peace process that had just about reached a standstill. In this respect, since the first phase had run down, we will be starting the second phase, which consists of getting the opinion of all the Guatemalan sectors that received a peace proposal from my government. After we have received a written response from these sectors, then it will be officially presented to the Guatemalan people and the international community.

[Announcer] Those were statements by Ramiro De Leon Carpio, president of the Republic of Guatemala, to questions about peace talks taking place between the government and the guerrillas. President Rafael Leonardo Callejas will now answer questions related to specific projects to be implemented to ensure development in the Amapala area. We will be now listening to Honduran President Rafael Leonardo Callejas through La Voz de Honduras.

[Callejas] In fact, Amapala has been receiving significant support. First of all, when I was a presidential candidate I contributed so that Congress would approve legislation allowing Amapala to obtain an 8 percent of [10-second break in reception] Several elementary schools have been built. All elementary schools in the area have been supplied with desks and other supplies. Lately we have been encouraging a project that is quite important to Amapala's incorporation into the national development program. I am referring to the completion of the highway linking the port of (?Clifton) with the Panamerican Highway.

Now that that has been cleared up, part of this meeting included a joint declaration between President Cristiani and President Chamorro, which was witnessed by the Guatemalan president. The joint declaration is aimed at ensuring environmental development of the islands in the Gulf of Fonseca and to promote tourism. We feel that the Gulf of Fonseca offers an extraordinary alternative because of its beauty and the quality of its natural resources, which allow for the sustained growth of tourism in the area. These are the efforts we will be undertaking.

[Announcer] This is La Voz de Honduras with President Callejas' reply. We now have a question by a Guatemalan news agency correspondent.

[Text] [Third unidentified reporter, in progress] ...to the president of Honduras. President De Leon Carpio: When you took office, you announced a purge of the state. Could you tell us whether there has been any progress? What is the status of the repatriation of a large number of refugees from Mexico? President Callejas: What is your opinion about efforts being made by the Guatemalan Government to host the upcoming regional summit despite the financial crisis it faces?

[Announcer] President Ramiro De Leon Carpio will reply.

[De Leon] As for your first question on the purge, when I took office as president of the Republic I received a mandate from the Guatemalan people to purge state organizations. A purge is taking place in the branch I preside over. Perhaps the Guatemalan people's demands exceed the actions that have actually been taken, but I established a 10-day deadline to complete this purge, which includes the dismissal of all department governors—22 governors—and I will appoint replacements. I will also appoint all presidents of regional development councils and other officials to complete the purge of the previous administration as a means to consolidate the new government.

Immediately after this, we will adopt legal measures, within the jurisdiction of the Executive Branch, to meet the needs and demands of the Guatemalan people. As for the repatriation [two-minute break in reception]

[Unidentified speaker, in progress] ...make all efforts to ensure the protocol of the economic integration treaty and the new protocol that will deal with the juridical aspects [words indistinct] Central American integration are signed in Guatemala in the presence of the region's six countries while providing a special scheme for Panama. The other five countries, however, will stamp their signatures to show their profound determination to integrate.

Second, we want the conclusion in Guatemala of the trade agreements with Colombia and Venezuela. I am sure the president of Guatemala will host this very important meeting, which will open a new juridical path for Central American integration.

[Fourth unidentified reporter] This is for Honduran President Rafael Callejas. Mr. President, in the first week of July you met with your Colombian counterpart Cesar Gaviria. This was not repeated at this summit because Nicaragua claims sovereignty over the San Andres Island.

[Callejas] We have excellent relations with Nicaragua and Colombia. Our actions are within a bilateral and juridical framework. Relations between other countries are exclusively internal matters and any [word indistinct] Nicaragua has with Colombia is within the purview of those two nations as independent states.

[Announcer] That was President Callejas...[one-minute break in reception]

[Chamorro, in progress] ...have up to now turned in more than 700 weapons and right now they are gathered in a single area. Many times the news is distorted; not that I wish to criticize my journalist friends, but instead of publishing the good things often only the bad things are published. I say this with sincerity; it is the truth. There is a man called Pedro El Hondureno [Victor Manuel Gallego Hernandez]. I do not know why he is called that; perhaps he is well-known so he uses a pseudonym. Anyway, I hope Pedro El Hondureno soon turns in his weapons and stays in Nicaragua. After a war, after so many weapons, after the caches that we have found, what else do you expect we should find, dear miss? I repeat that I do not wish this on anyone. But what I am doing is working bit by bit with everyone and we have kept our promises, according to our abilities, using what we have. We have distributed land, we have helped distribute homes, we have helped with many things. What happens is that we have all forgotten that we are in a free fatherland and everyone wants things resolved overnight.

[Announcer] That was Nicaraguan President Violeta Chamorro's reply on La Voz de Honduras.

[Gomez] My name is Gomez and I am with Channel 6 in San Pedro Sula. My question is for Mrs. Violeta Chamorro: Does the Nicaraguan population fear that the recompas will reenter Esteli? The second question is addressed to the four Central American presidents: Can they guarantee that what has been agreed on here today will become a reality and not just a utopian dream like everything else in Central America?

[Chamorro] Miss, could you kindly repeat the question a little softer? It sounded too loud.

[Gomez] Mrs. Violeta Chamorro, my question is whether you and the Nicaraguan population fear that the recompas may return to Esteli? The second question is whether the Central American presidents can guarantee that what has been agreed on at this meeting today will be a reality? [three-minute break in reception]

[Announcer, in progress] ...on the topic the Honduran president addressed.

[Cristiani] At times there are perhaps agreements that are not readily perceptible. The mechanisms to achieve true integration and free trade are not simple. For example, at this meeting we agreed to give a stronger thrust to the harmonization of fiscal matters. To ensure a product enters another country freely under fair competitive terms, it is necessary to first harmonize a number of conditions in each country on an individual basis to ensure this free trade will materialize.

We cannot rush when we should start the process walking. I think, however, what is perceptible—and if my memory does not fail me—in the past year intraregional trade grew by 20 percent. If this growth is taking place because of the greater facilities and opportunities and as a result of these meetings, as well as those summits that involve everyone, integration is receiving a thrust forward.

Specific aspects such as the [word indistinct] free transit of people and vehicles, and the facilities granted are actually administrative aspects that are easier to implement. It is obvious that some interested sectors will show their opposition or resistance, and we must continue to supervise this. We must find ways to correct mistakes.

What must, however, be clear to you is that this is a way to accelerate a process that is otherwise very lengthy. The EEC has taken over 10 years to start free trade among its countries. We want to achieve it in fewer years, significantly fewer years, and I think we are progressing. Thus, integration—especially within CA-4 Group—is not utopia but is taking specific steps toward achieving true integration.

[Announcer] Guatemalan President Ramiro De Leon Carpio will add to the statements by the Honduran and Salvadoran presidents. Let us listen.

[Serrano Lagos] The Guatemalan president wants to comment on the last question.

[De Leon] I will comment on the specific realities to which my colleagues referred. In other words, it is a reality, it is a fact, not a dream. It was asked whether the agreements reached on this day will remain utopian. I wish to say that besides the fact that the process has advanced, and based on the realities seen here already, we must recall that this involves a process. There is an established mechanism—as President Callejas said—it has the best mechanisms, at least I who have just joined this process, as a new president, admire and appreciate this process. It has a great advantage, especially for journalists: It is honest. You and we can follow it up to determine whether it will remain utopian or become reality.

You will be able to determine that. We will be meeting within in one to three months. As far as we are concerned, our ministers and respective officials will do the follow up work. As for whether this will be utopia or reality, the journalists will determine this in the future.

[Announcer] That was the reply by the Guatemalan president. There is a question for the Nicaraguan president:

[Fourth unidentified reporter, in progress] ... Nicaraguan Government Minister Alfredo Mendieta suggested the possibility your administration will request the extradition of Salvador Samayoa and Facundo Guardado under the charges that they are responsible for the explosion in the Santa Rosa neighborhood. I would like to have your clear, precise, and specific reply.

[Announcer] The Nicaraguan president will reply on Voz de Honduras Network.

[Chamorro] I personally spoke to the government minister about all these things. I am sure the government minister did not say that. You can do something; you can request extradition, you can do anything if you have a judgment, if you have clear judgments of things, but not before then. I do not know but the government minister is here and I ask him if this is true. Please speak to the journalists. Speak the truth.

[Announcer] This is Nicaragua's Government Minister Alfredo Mendieta.

[Mendieta] The president ordered a judicial process and an international investigation. We think we have a great responsibility in the peace processes that are currently taking place in Central America. We must be prudent when making statements. If the international investigation involved certain people, we are committed to accepting the recommendations of this commission and to implementing them fully.

[Announcer] That was Nicaraguan Government Minister Alfredo Mendieta. Here is the last question.

[Fifth unidentified reporter, in progress] ...presidents. My question is for the Nicaraguan president. I would like to know what specific measures your government will take to prevent new armed conflicts like that in Esteli, which could obstruct the agreements on the free movement of people and goods through the area?

[Chamorro] My government has been very soft [words indistinct] I already established a deadline to allow all Nicaraguans to return to their fatherland, to lay down their arms, so on and so forth.

The amnesty plan is nearing its end. Persons who by the end of the month or the 31st of the month who do not lay down their weapons, who are caught with weapons, will face trial, will go to prison. As a woman, I have had more than enough time to think, shown more than enough consideration for all my Nicaraguans who go around with a weapon. I would rather have them go around with a pencil so that they could learn how to write than go around with weapons. I reiterate, I am an enemy of weapons. I would prefer to have them pick up a pencil so that a child can learn and bury the rifle. Rifles are buried in my country. A short time ago when we had the [word indistinct] meeting, all the newsmen who were there witnessed the burial of 5,000 weapons. They were buried in the central part of Managua and in all the cities. Those weapons were ruined and other weapons are being burned.

Governments Endorse Taiwan's Admission to United Nations

PA3007154093 Panama City ACAN in Spanish 1204 GMT 29 Jul 93

[Text] San Jose, 29 Jul (ACAN-EFE)—The Central American Governments stated on 28 July they support Taiwan's admission to the United Nations as a member; and they reasserted their decision to exert themselves to help the Asian country make this "just hope" become a reality. The Central American foreign ministers said, upon conclusion of a meeting with their Taiwanese counterpart, Frederick Chien, that they will express their support to the UN secretary general at the next General Assembly in September.

Panamanian Foreign Minister Julio Linares said in a news conference that, with this decision, "we are carrying out an act of justice," because Taiwan meets all the requirements as a country to become a UN member. "It is an act of justice, not with the government of Taipei but with 21 million (Taiwanese)," Linares emphasized.

Likewise, Costa Rican Foreign Minister Bernd Niehaus said they will ask the UN secretary general for a "parallel representation," a condition granted to countries that have suffered divisions, such as in China in 1949. "It is a matter of international justice to analyze the situation and recognize it" as a state, Niehaus warned. He ruled out the possibility that these relations with Taipei will obstruct Costa Rican efforts to increase its trade with Beijing, as it has been doing in recent years. "This is a state's sovereign decision. The adoption of this decision is up to us," he said.

The Taiwanese foreign minister denied his country had exerted pressure on Costa Rica not to establish trade relations with the PRC; adding that, in this case, the Central American country must adopt the decision in a sovereign way. "We believe Costa Rica must decide what is the best for itself," Chien emphasized.

Cuba

Castro Sao Paulo Forum Closing Speech

FL0108232593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1733 GMT 25 Jul 93

[Speech by President Fidel Castro at closing ceremony of Sao Paulo Forum at Convention Center in Havana on 24 July—recorded]

[Text] Comrades of the presidency, comrade members of the Sao Paulo Forum: I have followed all the discussions of the first three days on this subject closely and very attentively. A subject so fundamental, so fundamental [repeats] as the political and economic situation of Latin America. I was enormously interested in learning how the Latin American left thinks right now—an interest based on the conviction that we are going through one of the most difficult moments of this hemisphere's history. We are going through one of the world's most difficult time, but we are also going through one of the most difficult time the left has ever faced.

I must (?say) that I am truly astonished—and not only astonished, but encouraged—after having had this opportunity to listen to you. I am astounded by the great number of ideas, viewpoints, concepts, and concerns that are common to us all. I am astounded by the practically unanimous agreement on what neoliberalism means to Latin America and the Caribbean.

I feel like someone who has been thrust into a sauna where the temperature is 110 degrees, and then tossed into cold water of 4 or 5 degrees. That is how I, who has just returned from the Third Summit of Heads of State and Government of Latin America, felt. However, in making this analogy of hot and cold water, I think that in a sauna people go first through the hot water and then through the cold, whereas here it has been the opposite: They put me first through the cold, and then through the hot.

At the summit conferences I have attended, it has been the enormous [words indistinct], the enormous cynicism that has been noticeable at the three summits: Guadalajara, Madrid, and Salvador de Bahia. [Words indistinct] sad period of neoliberalism. It is as if they had found all the answers to all the problems of Latin America and the world. All three times, I have had to do like Comrade Marina [not further identified]. I have had to say that I do not share those views and those ideas. I respected them, but did share them. That was really to save my historic responsibility.

At this last summit, we noticed something new. Social problems were discussed for the first time. This was thanks to the position of Brazil, which suggested that the summit's central topic be the matter of development, with special emphasis on social development. And already there, Latin America's tragic social situation was discussed. They did not talk about the Caribbean there because the summit was a summit of Latin American countries.

(?At that) [passage indistinct], but one could not help noticing that neoliberalism has discovered poverty. As if all that was new and, of course, as if neoliberalism were going to solve it by generating wealth. The reigning euphoria was even expressed at the meeting of the Group of Seven in Tokyo, when they spoke of Latin America's great successes. This was due to the fact that a certain degree of improvement has been achieved in some economic indexes.

There has been, for example, a decrease in inflation, and there has been a decrease in budget deficits. There was a modest increase of 2.4 percent in gross domestic products, which became apparent in various proportions: Some dropped while others rose, and some rose more than others and also because there had been a certain amount of capital influx. These are the elements on which were based the euphoria, high praise, and great expectations placed on neoliberalism.

Meanwhile, on the sidelines, there were obvious things, things everyone is seeing, feeling: the disastrous situation in all areas of social life. Never have there been more poor people in Latin America. Never has there been greater unemployment in Latin America. Never has there been greater inequality in Latin America. We could say that there has never been a greater neglect of education, health, poverty, and the helpless. Never have there been more homeless children. Never have there been more children out on the streets. Never has social violence increased so greatly. Never have vices increased so greatly: drugs, drug trafficking. Never has there been a greater relinquishment—we might say—of values that have always been sacred to all us Latin Americans. Thus, in reality, there has never been less hope—because neoliberalism is not a development theory.

The very essence of neoliberalism is the total plunder of our peoples. [passage indistinct] because even over there, in the developed and superdeveloped countries, neoliberalism has not solved anything and governments are being changed because they have not even been able to solve the problem of unemployment. Unemployment has become a scourge of the [word indistinct] countries. Europe already has 28 million unemployed people—I am talking about developed Europe—which is generating phenomena of all kinds: ethnic conflicts, xenophobia, reactionary and Fascist violence. There, where the immigrants do the work that, as you know, in the developed world a country's nationals do not do. It is the immigrants who do the work out in the streets, the construction work, domestic work, work that is hard in any and every sense of the word. Work in agriculture.

What would become of U. S. agriculture without Latin American immigrants? Who would grow the tomatoes, asparagus, fruits, citrus fruits, and food in general out there in California and all over the United States, even in

Canada? Who would grow these things, were it not for the Latin American immigrants? Despite this, the situation is so desperate with the unemployment, that this kind of movement against the immigrants takes place. And there are even increasingly troubling crimes being committed.

The Berlin Wall is over and done with; and now they are building a wall that goes from the Baltic to the Mediterranean—aside from the fact that other walls, which have not been removed, are still standing, such as the one separating North Korea and South Korea, or the one separating Mexico from the United States. They have run out of new electronic equipment and measures to take in that region to keep the Mexicans from crossing over the border into the North in search of employment or better living conditions.

In the past, they used to accept everyone crossing over from Eastern Europe to Western Europe with applause and rejoicing; now they adopt strict laws—now that the Socialist Bloc and the Soviet Union have turned into a Third, or Fourth World—to prevent people from emigrating from East to West. Also, migrations are turning into one of the greatest tragedies and nightmares of the developed capitalist world because they involve hundreds of millions of people—and the numbers are growing—who want to emigrate from poverty and despair toward those so highly touted consumer societies. The developed capitalist world has not been able to solve the problem, via neoliberal prescriptions, of what kind of hope it can offer us in solving the problems of the Third World.

Although Latin America is spoken of, and although it is mentioned euphorically—that the amount of capital flowing into Latin America to be invested has increased in the last two years, that capital is nevertheless insignificant compared to the $700 billion that Latin America has lost from just two causes: the cost of servicing the debt, and unequal trade exchange. And this does not include the flight of capital, which, as you know, is enormous.

But the thing is, neoliberalism has exacerbated the phenomenon of unequal trade exchange, because it is doing away with all the protective measures and all the agreements regarding basic products, by means of which the countries of the Third World tried to defend themselves; and prices are dropping tremendously. Between 1982 and 1992, prices have dropped by 28 percent—in just 10 years. Neoliberalism has served to exacerbate this phenomenon.

For a long time now, we have been turned into sources of capital for the developed capitalist countries; however, never has the loss of the natural resources we have so greatly defended occurred as much as now, resources that constituted the fundamental banners of the political movements in Latin America. We are losing our natural resources, losing public services—as well as control of fundamental basic services. Europe is not exactly an example of that because, up until a short time ago, the participation of the public services [passage indistinct] of the European countries was 47 percent in England, 52 percent in France, a more or less similar figure in Germany—I think it was also 47 percent—and a little lower in Japan: 33 percent.

Those countries have tried to preserve their [passage indistinct] and monetary [passage indistinct] and that we privatize everything. That is the truly tragic phenomenon we are seeing. And a part of the capital that has flowed in is the result of the sale of those public service enterprises.

That capital is not capital that has come to develop the countries. In fact, a large portion of that capital is the so-called migrating [golondrina] capital, which is invested for a short term to purely speculative ends.

Is that how we are going to solve the problems of Latin America? The part of the world where land ownership is most concentrated? The part of the world where wealth is so badly distributed? Because it is said that 40 percent of the population receives 11 percent of the income. That is the poorest 40 percent; 20 percent of the population that is in a better economic position receives almost 60 percent of the income! Does neoliberalism promise to change that situation?

So what is so surprising about Latin America's today having 270 million inhabitants who live in poverty, and 84 million who are indigent? What is so surprising about the fact that 57 children out of every 1,000 die before they reach the age of five? What is so strange about seeing epidemics such as cholera spread? What is so strange about seeing AIDS increase quickly, about the fact that there are already approximately 1 million people affected by this disease—a disease that was imported, a disease not born of Latin America? What is so surprising about 200,000 women and 10,000 children affected by AIDS? What is so strange about the fact that 36 percent of the children do not make it to the fourth grade? What is so strange about the fact that, while there were 3.3 hospital beds per 1,000 inhabitants in 1964, there are now 2.05 beds per 1,000 inhabitants? What reasons do we have for feeling happy?

That situation can also be seen in the rest of the world, in numbers that are more or less the same. [?In the rest of the world there are] 1.2 billion living in poverty, 786 suffering from chronic malnutrition, 180 million children seriously undernourished, 1.5 billion people without medical care, 1 billion illiterates, and 270 million anemic women between the ages of 19 and 49? From whom did we receive such a legacy if not from colonialism and neocolonialism?

What solutions to our problems did they bring us? Those populations are today worse off than they were under colonialism! And these are the problems that neoliberalism is going to solve for us?

Another very strong opinion that I have noticed at the summit meetings is an attempt to discredit the state, and reduce its role to a minimum. The idea is to not only limit itself to just education, public health, and a certain number of activities such as those—public order, for example—and that all activity should be private, that private activity is the only activity that can administer things, the only one that [words indistinct].

I found myself obliged to having to defend [words indistinct] at one of these meetings [words indistinct] as a symbol of the disappearance of the state, like back during anarchism's best times—with all due respect to anarchism, because I have greater respect for anarchism than for neoliberalism!

And I had to explain some of the things that the state does. That is, if the state cannot run a factory, it would be unlikely for the state to be able to run a hospital. And then I explained what the government had, in our country, done with the hospitals; and the kind of health indexes our population has; and how, despite the current special period, the infant mortality rate is at 9.43 per 1,000 live births, talking about children under the age of one. That is, less that 10 for the first six months of this extremely difficult period we are going through. This was the work of the state!

Also the work of the state was the training of 48,000 physicians—which is what Cuba has today—and at the end of this year, Cuba will have over 50,000 physicians, despite everything imperialism took, despite the fact that they left us with only 3,000 of the 6,000 we had!

I told them about what the state had done in the sphere of education: the universities that the government had created, the hundreds of thousands of professionals with university degrees who have been trained—people who are the children of laborers, rural folks, humble folks, the masses!

We could explain the efforts the state has made in the field of science. Our country has almost 200 science and technology institutions.

We have magnificent scientists! We have developed a number of vaccines at present unique in the world; techniques for the treatment of certain diseases that are unique; dozens of products that have come from laboratories that are state-owned laboraties, laboratories that do not belong to multinationals. Even those multinationals feel respect for the progress our country is making in the field of science! That has been the doing of the Revolution! Those things have been accomplished by state institutions!

Finally, I had to say, jokingly, there, that cheeses that are among the best in the world are produced in our country. Not all the cheese we would like, of course. Production depends on how much milk we have available. But as far as quality, they are among the best in the world.

I told them that we produce ice cream that is among the best in the world; [word indistinct] among the best in the world; rum that is among the best in the world. These are not productions of private enterprises. They have come to believe the state is absolutely incapable of producing.

However, when we go to Europe, they tell us—or rather, they tell those who have gone, because I myself have not had the privilege of going—that the French railway lines are the most efficient and punctual in the world. And they are government-owned railway lines!

What is the point of trying to discredit the state at any cost and demanding the total disappearance of the government from the economy? That has nothing to do with other ideas that could be discussed, regarding what the government should or should not try to do.

However, one can perceive a strong feeling against the state and its role, a desire to reduce that role to zero. Although I must, in all honesty, say that there were a few participants there who, when I broached—for reasons of principle, for reasons of honor—a number of matters having to do with the state, they told me that they agreed with most of what I had said, in that regard.

These are realities. Latin America's social problems, the objective problems that the population and the masses are facing, are the biggest they have ever faced since the end of World War II, bigger than the ones they had in the sixties and seventies. I think our hemisphere is going through a much more difficult time now than at any other period of history.

Unfortunately, all this coincided with the Socialist Bloc disaster and with the disappearance of the Soviet Union, along with the illusions many had, as well as many people's noble desire to see socialism perfected. No one could be against the idea of socialism's being perfected!

Socialism should be perfected, not destroyed! Hundreds of millions of people throughout the world wanted to see socialism perfected, not destroyed. What unfortunately happened was that socialism was destroyed. And even those who used to say that what they wanted was socialism, and more socialism, and better socialism are today writing that socialism is a dream, that socialism is an unattainable utopia.

Indeed, if someone tells many of us that socialism is an unattainable utopia, we would have every reason to ask ourselves what the hell our parents brought us into this world of animals for! Why they brought us into this egotistical world; why they brought us into this world of every-man-for-himself and of wars of everyone against everyone else so as to be able to survive!

Why are we called: human beings? Why are we called: rational beings, if we are not even capable of organizing ourselves in a rational manner, producing in a rational manner, living in a rational manner?

If I were to believe that—since I have a very high opinion of mankind, and believe in all those things Man is

capable of—I would have real regrets. Or worse than having regrets, because none of it is my fault, I would feel wretched at having been born! And it is unthinkable for those who for such a long time aimed their message of hope at, to be writing some of these things today, supposedly seeking to improve society, seeking to improve socialism!

Socialism is not being defended here at this forum! And no one can say that socialism has been presented as the objective here at this forum! No one can possibly find the conditions either objective or subjective of the present time propitious for the building of socialism! I think there are other priorities right now.

This does not mean....[changes thought] He, who may wish to build socialism, may do so. This does not mean that anyone will be prohibited from building socialism if he is able to do so. Because we, who have spent dozens of years struggling to build socialism, do not regret what we are doing, and plan to continue building socialism! [applause] And we plan to save socialism. And we plan to perfect it.

In Latin America, the battle lies....[rephrases] In fact, the priority battle is to defeat neoliberalism, because if we do not defeat neoliberalism, we will disappear as nations, as independent countries; and we, the countries of the Third World, are going to be more of a colony than ever before.

To defeat neoliberalism would be to create a hope for the future, preserve conditions so as to continue to move forward—because the limits of our progress will lie in capitalism, and there will be no human progress made by anyone who is not determined to go beyond the confines of capitalism.

But that will be the task of other times. I would not say the task of other generations. I see many young people here, among the participants; and I think that many of them may have the possibility of building socialism in their countries.

But that is why I was so struck by the common sense, the equanimity, the wisdom with which problems were examined here—without extremisms of any kind, very open-minded, talking about uniting forces, and making alliances that will allow us to win the battle against this enemy of today: neoliberalism. Neoliberalism is going to create increasingly terrible social conditions. I am not at all surprised by what Daniel [Ortega] explained, regarding what has just happened in Nicaragua as a consequence of applying neoliberal policies.

It is very sad—most sad—to think, know, be aware of the fact that the blood of our Nicaraguan brothers, our Sandinist brothers, has been being shed there. Nicaragua's situation is not very different from the situation in many other countries of Latin America.

What could Clinton's intentions be? In my opinion, the problem is not to know what Clinton's intentions are. Everyone knows that Clinton was elected thanks to the vote of the Hispanic and Black minorities, the vote of the retired, the vote of those who have no healthcare protection, women, the unemployed young, the poorest people. Actually, what happened in the U.S. elections was not that neoliberalism triumphed. From the electoral point of view, what happened in the United States was a setback of the neoliberalism of Reagan and Bush. How far did that neoliberalism go? To such extremes that, for example, according to the statistics, 1 percent of the richest Americans receive 37 percent of the income, 37 percent of the income [repeats], and a percentage that I cannot remember now, almost 90 percent receive 20 percent of the nation's income. That is what neoliberalism has lead the United States to: a debt of 10 trillion dollars, counting both the public debt and the private debt; a tremendous backwardness in technology, which has caused the United States to lose its leadership position in many fields of industry. All these things happened despite Bush's war victories—because really, ever since the time of Alexander the Great, Julius Caesar, Hannibal, Scipio the African, [words indistinct] never had we seen such an illustrious warrior as Bush. A strategist so outstanding. Anyone who won more votes by waging war.

That is the hard thing, the sad thing, the terrible thing—to which we have all borne witness: the way politics is waged through war; how a macho type of politics is waged; how votes are sought through killing, by invading countries barely visible on the map, as was the case in Grenada; committing an atrocious invasion, employing the most sophisticated means, in a test of military technology, as occurred in Panama; the forewarned Iraq war—because for the first time in the history of mankind, people sat down to watch, over television, a war announced 45 days in advance, a war that was unquestionably manipulated, a war that was, in a subtle way, provoked—because everyone knows about the talks Iraq's leader had with the U.S. ambassador.

We were in the Security Council in those days, and we condemned the invasion of Kuwait. We could not accept the invasion of Kuwait. We follow a policy based on principle, and condemned anything that strayed away from principles. And we were against anything that was unjust about the measures or proposals that were made there.

Our country won a lot of respect there, because of the policy it followed, for being able to discern. Because to condemn the crimes committed against Iraq does not mean we must condone mistakes committed by Iraq, or things that Iraq did that were wrong. One must be brave. The Iraqis know how we think.

We told them in many ways. We informed them of our opinion about all that was happening. [Words indistinct] to imperialism to present its credentials as a hegemonic power in the world, and that imperialism was going to wage a technological war against Iraq, as it indeed did.

However, everyone saw on television that war that had been announced 45 days in advance, following the continuous bombing.

Why are we concerned about weapons becoming an instrument of popularity in the United States? Because when a president comes to feel that his influence or popularity has declined, he will have weapons as an excellent instrument for increasing his rating [last word in English], playing up to national pride or national chauvinism and presenting alleged causes or justifications for using weapons.

The spectacle of Somalia is depressing. They [the United Nations] claimed to have gone there to distribute food—at the tip of a gun—but have instead distributed bullets, gunfire, and bombs, with sophisticated helicopters, improved artillery, and deadly weapons of all kinds, used against a people who have been starved to death by the colonialism, neocolonialism, exploitation, and backwardness that have been brought to so many countries.

I believe the situation in the rest of Africa can become even worse than that of Somalia, because for different reasons—population growth, underdevelopment, poverty, erosion, desertification, and the disappearance of forests—situations similar to that of Somalia could be created that might affect hundreds of millions of people. I ask myself whether the UN mission is to give humanitarian aid to an entire continent by trying to distribute food at the tip of a gun.

I ask myself if someday the Latin American countries will also be invaded, in the name of the United Nations, so that we can be fed. The fact is that the 270 million poor and the 84 million indigent people are already needing it. Are they going to invade northeastern Brazil? Or is the real mission of the United Nations to promote development, mobilize the economic, scientific, and technical resources of mankind to ensure development: take water where it is needed, contain the deserts, and utilize science for what they call sustainable development? In our opinion, this is possible, although at times it already seems to be too late.

Those formulas could hold out some hope for humanity, but the role that the United Nations and the U.S. Presidents have been playing has been to increase their popularity everytime they wage a war. Since they wage war whenever they wish, later inform the United Nations, and the Security Council approves whatever they do, we see this as a real danger for us all.

So what are Clinton's intentions for Latin America? We would all like to see some change, some improvement, some new concept of politics applied. However, let us suppose that Clinton wanted to do this—can he do it? I agree with what Shaflick [as heard] said—I mean Shafick [Farabundo Marti National Liberation Front leader Shafick Handal] [corrects himself]—I always call you Shaflick, but it is Shafick, and this although I have known you for some time. I agree that there are different forces, different currents. At times, one does not even know what is going on in that country, what forces are prevailing. We have, however, seen some painful examples. An undersecretary for Latin American affairs had been nominated. The most reactionary forces immediately opposed this, and in a few days, the nomination was rejected. A prominent person had been proposed to attend to civil rights matters. The most reactionary forces opposed this, and forced the administration to withdraw that nomination. Incidents like this have occurred. Actually, it would be necessary, not just to determine what the administration wants to do—if it does want to do something—but also what it can do.

I think it is our duty to be politically oriented. I think it is our duty to be intelligent, because if we do not use our intelligence, we will get nowhere. However, at the same time, it is our duty to be serious, to defend our principles. At no time can we sacrifice a principle in pursuit of a chimera. The future U.S. policy with respect to Latin America is an unknown, a chimera. No matter how much we might want some changes, it would be very difficult for those changes to be put into effect.

I believe in struggle, in the people's struggle. I believe in the struggle of the masses. Recently, in Latin America we have had important examples of what an unarmed people can do, of what the masses can do, of what conscience and ethics can achieve. At the same time that these negative phenomena have been taking place, there has been an inevitable increase in the people's participation in events. Are the Somali people powerful? Yet, who are fighting in Somalia, practically without weapons? The people. Are the Africans more powerful, by any chance? Yet, could any hegemonic power or any world organization, however powerful, ignore the will of billions of people in the world? After all, we already number almost 6 billion people, almost 80 percent of whom are experiencing this tragedy, in one way or another.

Not even atomic weapons can contain the peoples' hopes. Not even nuclear weapons could defeat the people. I believe that to some extent, confidence and hope in the strength and power of the people has been expressed in this forum. There have been recent lessons in what can be done, and you are well aware that the person speaking to you participated in the armed struggle and supported the armed revolutionary movement, something that we do not regret. However, we can clearly see that now, at this point, in these circumstances, it is not the right way. I say this with the most absolute respect for those who are still fighting because they believe they have reasons to fight. We are pleased with the agreements reached here aimed at seeking negotiated solutions in those countries in which such solutions have not yet been found on reasonable and fair bases, with real guarantees.

Today, we see the potential of the people, especially a united, coordinated people struggling in the same direction. I believe that in this regard, this forum has been an example. I am telling the truth without seeking to flatter you when I say that in my opinion, this forum has been

an example of wisdom—in its pronouncements, agreements, decisions, and desire to do things properly. Very brilliant speeches were made here. We were especially impressed, and highly applauded the speech by Lula [Brazilian Workers' Party president Luis Inacio da Silva]. We have heard pronouncements that point out the difficulty of our struggle—for example, when the Chilean experience was discussed here.

What happened in Chile? A people's victory, not a victory by weapons, but a victory through the polls; one of the most noble efforts that has ever been made to help the people, to be loyal to the people; a person like Allende, who kept his word that only in death would he be removed from the post to which he had been elected by the people. It is a tremendous lesson. Imperialism did not want democracy, because what Chile had was democracy. It did not want changes by peaceful means, because the Chilean changes had been peaceful. Imperialism wanted to erase any example of socialism, any policy of defense of the country's interests, or nationalization of the country's industries. Imperialism wanted to wipe out any example of an honest people's government.

We all know what happened: the coup d'etat, the thousands of missing people. Nevertheless, imperialism continued to cooperate with the Chilean Armed Forces. There were no accusations, no blockade, just as there was no blockade of South Africa when it was manufacturing nuclear weapons, and just as there was no blockade of Israel when it was making nuclear weapons. There were no threats in harsh tones such as those used recently by the U.S. President with regard to the DPRK, under the pretext that the DPRK wants to make nuclear weapons. Everyone knows that to make nuclear weapons, one needs technology and resources that are not available to a country like the DPRK. Yet, when the countries involved were countries that follow U.S. policy, there was complicity, and various forms of cooperation to help them obtain that kind of weapons.

I said that in this forum we have given proof of that intelligence and that wisdom [words indistinct] very important pronouncements have been made.

I should have mentioned the case of Nicaragua. What Daniel [Ortega] said here is very interesting. We witnessed this because we had close ties with the Sandinists throughout their struggle and we knew how they thought. They were planning on a multiparty system. They planned on a mixed economy and the Non-Aligned Movement. This is what they did. In Nicaragua they did not make an effort to build socialism. They carried out their program.

Nevertheless, imperialism did not care if there was a multiparty system or not, if there was a mixed economy or not, if they were part of the Non-Aligned Movement or not. All they cared about was that the Sandinists were there and that they had overthrown their creature: Somoza; that they had overthrown him by force and with the force of the masses. They were determined to destroy the Sandinist regime. Immediately, they organized a dirty war. They invested billions into the dirty war. Later they invested lots of money into the elections as well—not only in the dirty war, but in all the resources, experience, and publicity resources to overthrow the Sandinists through the polling booths.

Later, what did the United States do? They are not capable of giving in one year what they spent in one month of wars in the past. That is the policy of imperialism. It is the same policy that they have followed in all places—not only in Nicaragua, but in Chile, El Salvador, Guatemala, Argentina, Uruguay, and Brazil. It is the same policy they have followed everywhere.

That is the policy of the imperialist. What are they offering us now? What hope do they give us? I remember a great battle waged by Cuba in 1985 regarding the external debt. Numerous meetings were held in this hall and in a big theater, with Latin American organizations of peasants, women, workers, political figures, and intellectuals, when we owed $350 billion. It was the great moment or one of the great historic moments to pull together Latin America in the battle against the external debt. Because back then we said what we continue to say today: The debt is unplayable and uncollectable. Today, that debt has reached $450 billion.

Imperialism was scared. They were scared. Above all, with that struggle and those pressures, a conscientiousness was created. I remember that those years were good for creating a conscientiousness about the external debt and for summoning the attention of imperialism, which had begun to come up with formulas to alleviate that situation before it exploded. They came up with certain procedures to alleviate the debt in the short term. But the debt grew. If tomorrow for some reason, there is an increase in interests in the developed capitalist world, the issue of the debt would once again become a terrible problem for Latin America.

But I think the political leaders of that era have an historic responsibility because they failed to unite to say no to the debt and to say that they would not pay that debt. That debt was unfair. That debt had grown extraordinarily. That debt had become a waste because it was not people who received that money. Many times those agreements would be reached secretly and the money would disappear and go back abroad. It was the great opportunity for gathering Latin America, not only to cancel the debt, but to demand a New World Order.

We said that the Latin Americans, Africans, and Asians should all get together to create an enormous force to impose conditions and demand our rights. Nevertheless, the United States' tactic was to discuss the debt with each government individually. The line to follow by each government was discussed one at a time with the United States, in the same way that today it talks about free

trade agreements, individually with each of the countries. It never wishes to meet with all the countries together, to discuss this with all, so that we can express our united force.

That is why the other point that we brought to the summit as an essential point is the issue of Latin America's integration. When we speak of integration as the aspiration of Latin America, we are talking about economic and political integration.

It is not a matter of sentimentalist. We have to admire Bolivar's greatness, when so ahead of his times, he proposed the unification of the Latin American peoples, at a time when airplanes, cars, trains, telegraph, telephone, radio, and television did not exist. Today, in a matter of seconds, anyone can call from Mexico to Buenos Aires. News is simultaneously broadcast worldwide.

Today, in a matter of hours you can travel thousands and thousands of kilometers. Today, there are fabulous means of communication, and when none of these things existed, Bolivar was already discussing a need for the unification of Latin America.

Perhaps, for all these reasons, it was impossible at that time. Later on, Marti was one of the most fervent defenders of the unification of Latin America, 80 years later. In a different time, and they proposed it as a vital need for our peoples.

More than 160 to 170 years have passed since its independence, and to this day, Latin America remains divided, is balkanized. It is not a sentimental issue. It is a vital issue. It is an issue of survival. We are living in a world of great economic and industrial giants, a time of great economic communities.

What hope for independence, security and peace, what outlook for development and wellbeing did our people have while they remain divided? Obviously, it is a very difficult task. It is enough to analyze the isolated efforts of integration to understand how difficult the task of economic integration is. But, our need for economic and political integration should overcome all obstacles. The transnationals are not going to integrate and unite us. But since we are talking about the political and economic integration of Latin America, we need to talk about creating an awareness, an awareness that has to be formed, a thinking that needs to be created. If we do not create a thinking or an awareness, nothing will be possible.

I mentioned the issue of debt. I can assure you that I am a witness to how the masses have developed a new awareness of the debt. I also remember that in some polls citizens were asked what should be done with the debt. The great majority said that we had to pay it because it was an obligation. They confused the external debt with a debt to a merchant, because everyone has a merchant who loans him something or in some way helps him, and he feels responsible. They did not understand the phenomenon.

Nevertheless, in the course of a few months or years, public opinion in Latin America on the debt had changed. With what did imperialism replace the debt? What did they bring again? Riding on the debt came neoliberalism. Today we are creating an awareness about this.

In my modest opinion, it is the duty of the left to raise awareness of the need for the integration and unity of Latin America. No other region in the world has so many things in common: language—including Portuguese, because we understand Portuguese perfectly, even without translators. Well, now we include Latin America to the Caribbean. After all, English is not so difficult. [laughter, applause]

We have a common culture, history, and mixture of races. Europe, which spent five centuries at war, would like to have the things in common that we Latin American and Caribbean people have. Yet, the Europeans are striving for integration and unity. They know they cannot compete with Japan unless they integrate. They know they cannot compete with the United states unless they integrate, and that they cannot play any role in the world unless they integrate. How can we do less? How can the Latin American left do less than to raise awareness in favor of unity? That should be inscribed on the banners of the left, with or without socialism. Anyone who sees socialism as a possibility and wants to struggle for it can do so, but even those who do not believe in socialism, even capitalist countries have no future without unity and integration.

The third point we broached at the summit was the matter of the United Nations. It was the second time I brought up that matter at those conferences, because there seems to be indifference, a total indolence with regard to such a serious, grave problem. We of the left cannot fall into that indolence or indifference. Our people's destiny is involved. A short time ago, we were talking about the things that are being done in the world in the name of the UN Security Council. It is very clear to us that the democratization of the United Nations requires, first, the disappearance of the veto, an irritating privilege created over 50 years ago in the post-war period, in a world that was very different from today's world. There must be a periodic election of the members of the Security Council, without exception. Incidentally, I was looking at the working group here, and it reminded me of the United Nations. [laughter] There had been 10 members, and the number increased to 14. I told them jokingly: Take care that we do not have the same fate as the United Nations.

We realize that today, it would be unrealistic to think of a complete democratization of the United Nations. That is why we proposed, at Salvador, Bahia, a proportionate increase in the number of members of the Security

Council. Since there are almost 200 countries today, we should increase the Security Council membership to 40 or 45. We should at least triple the number of permanent members, so that there could be two or more for Latin America and the Caribbean, two or more for Africa, and two or more for Asia, in which case the veto would not be the prerogative of a single country. Instead, several countries would have to join together in order to exercise the veto. This is a formula for which we could struggle. However, for this to happen, we have to raise consciousness.

We cannot allow the United Nations to become an instrument of U.S. world hegemonism. We cannot allow the United Nations to become an instrument of U.S. imperialism. You already know the influence that country exerts. It controls the World Bank, the Inter-American Development Bank, the IMF, and numerous credit organizations. We know this from experience. I want you to know that in the discussion of the blockade last year, only three countries voted with the United States. Three countries, while over 50, almost 60 countries voted against the blockade, and a large number of countries abstained. For many countries, to abstain is already an act of courage, because they are defying the United States, which keeps tabs on how each votes. Yet, a large number of countries abstained. The fact is that there are causes of so much strength, so much morality, and so much authority, that even many U.S. allies abstained, and a surprisingly large number of countries voted against. To vote against the United States on an issue like this one is to defy the might of the United States. Only three voted in favor.

However, the idea of power....[changes thought] As we were explaining last night, all those formerly socialist countries of Eastern Europe now vote with the United States, and many countries that used to be part of the Soviet Union also now vote with the United States. And every time the United States presents some complaint, some vile accusation against Cuba—as it has done regarding human rights—they can count on the vote of many of those who in the past used to take an upright position and did not support the United States in such campaigns against Cuba. That is why the struggle for the democratization of the United Nations should also be inscribed on the banner of the Latin American left. Those are things of enormous importance.

I am speaking to you fully convinced of the purity of intentions that move you; of the beautiful ideals that inspire your struggle; of your desire for a better world, a better Latin America.

I am talking to people I admire, because when I size up the magnitude of the task that lies before you, I cannot but admire you. I look upon you with hope, well-founded hope, about what might happen next year.

But that is why it is so important for us to have a clear awareness as to the fundamental problems—because we must guarantee that what happened in Chile, or in Nicaragua, does not happen to any of the comrades who might be supported by the masses in any of the fraternal countries of Latin America, guarantee that we do not obtain partial victories and then see regression. That is why a clear strategy is important, and very clear objectives: what we want, what we propose to accomplish. Whether or not we feel capable of doing it. Since we really do feel capable of doing it, we must be wise, have foresight, be as intelligent as we need to be. Not just as brave and as resolute, and not just have as strong a conviction, as needed, but also as intelligent as need be. Because in whom else can the masses of Latin America possibly place their hopes?

I know we are many organizations. However, we are not complaining. We rejoice. At first there were 60, and now people were saying that there are 112, and 25 observers. Perhaps next year there will be 150. I think that if that happens, you will have to meet for a longer period of time, so that everyone will get a chance to speak.

We are not complaining about this. On the contrary, I do believe we have given the world a lesson in multipartyism, a lesson in democracy. We have discussed things to an extent unseen anywhere else, although we do understand that five minutes is too short a time to discuss certain ideas with any degree of depth. But everyone got to speak. I was really very pleased to see that everyone got a chance to speak, and explain their view, with courage and honesty—the most varied of viewpoints. We have learned a very great deal.

We will not forget this meeting, and we really predict a great future to this forum. If we continue working with these methods, with this style, we can go very far. There is no other path to attaining our objectives. Just look at how, despite the great diversity of organizations, we have a great number of things in common, and struggles in common; and that declaration—despite the fact that it could have a comma more or a comma less; a word more or a word less; some word we might be more, or less pleased with—is practically a program for struggle. I think the fact that we have been able to produce that declaration—which has so many important things in it, which has so many key things in it—really sets an example. More than a declaration, it constitutes a program. If we like, we could say that the declaration constitutes the program of the Latin America and Caribbean left. And if we attain those objectives, we will have gone farther than anyone can imagine.

I am glad that there were several lectures during the course of this meeting given by Cuban comrades—Comrades Lage, Robaina, Alarcon—and that we were able to discuss many of Cuba's problems. I ask you to excuse me for having had to talk....[corrects himself] or rather, for having talked more than once. I felt bad, sometimes, vis-a-vis yourselves, for talking a bit too much, but at least it served to allow me to give you the greatest amount of information possible regarding Cuba's situation, so that you would be informed and I would be spared having to discuss this matter now. I am,

however, going to tell you, as the 40th anniversary of the attack on the Moncada Garrison nears, that we are going to celebrate the day under the most difficult conditions imaginable. Maybe after so many years of struggle we deserve some kind of prize. Perhaps we deserve a period better than the one we are living in, an easier time. However, fate, life....[rephrases] Believers would say that God has chosen to put us to the test, and forced us to have to confront these new and difficult tasks. We are nevertheless not disheartened.

When, upon reaching the 40th anniversary, we find ourselves struggling for our Revolution and our socialism, we also have to think about those who waged the struggle before us. We have to think, for example, about Bolivar, San Martin, Sucre, O'Higgins, Hidalgo, Morelos, Morazan, Juarez. Was their struggle perhaps in vain? Would we not be....[corrects himself] Would they not perhaps be even sadder than we, seeing the current situation of Latin America today?

What would Bolivar say, if someone were to tell him, or if he were to be seeing, what we are today? If he were to be watching the emergence of those colossal empires, enormous centers of economic and political power? If he could see what they are doing to us, what they are imposing on us?

What would Bolivar have to say about the foreign debt? What would Bolivar say about neoliberalism? What would Marti say if he could see everything we ourselves are seeing, in this America he dreamt united someday, and for which he gave his life? Because, before dying, he said that everything he had done, he had done, precisely, to that end: in an attempt to fortify; and to stop the Colossus of the North from advancing on the peoples of Latin America.

How many men have struggled, throughout so many years? I think that, were they to be alive today as we are, they would have no regrets. They would not be disheartened. They would continue dreaming the same dreams, just as we dream their dreams and our own. They would not give up the struggle, just as you are not giving up the struggle, and just as we Cubans are not giving up our struggles.

I told you in one of the speeches that we had to know how to distinguish between what we have to do to save the fatherland, the Revolution, and the achievements of socialism and what we have to do to perfect socialism—and we shall manage to fulfill those two obligations. We will do whatever it takes to save the fatherland, the Revolution, and the principles of socialism.

Whatever we do, however, we shall do in an orderly fashion, because what we want to do is save, not destroy. If in order to save, it is necessary to destroy, we prefer to be destroyed ourselves, alongside what we have done, alongside what we have created.

The current times are very difficult, but I am absolutely convinced that with our people's courage and intelligence and with your solidarity, a solidarity that has been expressed in so spontaneous and generous a manner during this meeting, the Cuban people—in which you will have the firmest and most loyal of companions in the struggle—shall struggle, shall fulfill its duty, and shall move forward with its intention to save the fatherland, the Revolution, and the accomplishments of socialism.

I say accomplishments because we cannot today speak of the pure, ideal, perfect socialism we dream of, because life is forcing us to make concessions. It forces us to make concessions.

What is this business of having to divvy up the national territory into squares and invite the multinationals to prospect and drill on our territory in search of the oil we need in order to survive? Is that, perchance, the socialism we wanted?

However, since we know that in order to save socialism we need to have the fatherland, that we need the fatherland and the Revolution in order to build socialism, to preserve the fatherland and the Revolution is to preserve the best of the accomplishments—and hopes—of socialism. We shall indeed preserve that hope, and the socialism that we build shall be even more perfect still.

Thank you very much. [applause]

Inter-Caribbean Affairs

Winban Discusses Plans To Restructure Banana Industry

FL3007232093 Bridgetown CANA in English 2036 GMT 30 Jul 93

[Report by Peter Richards]

[Text] Castries, St. Lucia, July 30, CANA—The Windward Islands Banana Growers Association (Winban) began its annual general meeting here on Friday, with restructuring of the industry a major talking point. The association's president, Elisha Marquis, said Winban was seeking a meeting with the governments of Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines soon on the issue.

"We expect (to be) opening very serious dialogue with the governments with a view of ensuring that (we) speedily put into place the kind of organisational structure that we think (is) necessary for the long-term viability and profitability of the industry," Marquis said.

The Windward Island governments have outlined plans for restructuring the industry, including the establishment of companies to oversee the marketing, distribution, and shipping of bananas to Europe. Winban is to be phased out under the government's restructuring programme.

St. Lucia's agriculture minister, Ira d'Auvergne, who also addressed the meeting, said the proposals for restructuring "are not cast in stone, but are meant as a basis for discussion with the industry." In the final analysis, he said, "the proposals upon which consensus are reached will result in the greatest net benefits to the industry and to the farmers will be adopted." Marquis said banana growers would not allow Winban to be phased out. He outlined a role for it in the future development of the industry.

"I think it is generally agreed that our banana growers ... Are never going to be profitable while they remain producers. We think it is absolutely necessary that their income must be enhanced by their integration into the chain of field-to-market," he said. Marquis said growers were not prepared "to remain and stay around simply as producers. It does not pay us to do so." He said that over the past year a number of proposals had been thrown up regarding the future viability of the industry.

"Whilst we may not agree on the way forward, what we all agree is that there is need to reexamine and to take a fresh look at what we have," he remarked. D'auvergne said Winban must reexamine its role in a changing world environment, warning failure to do so would render it "liable to become marginalised in the new industry order." He said the governments recognised the importance of the industry to the socio-economic development of the islands. He said "there is no intention, as some persons have suggested, for the governments to hijack the industry from the growers."

"On the contrary, governments' interest in the industry is with the view to make it stronger, make it more competitive, and make it more sustainable," he added. He said the governments were prepared to invest directly in the industry, buying equity and participating as a partner.

Haiti

Army Communique on Attack on Senator Dupiton

FL3007181893 Port-au-Prince Signal FM Radio in French 1030 GMT 30 Jul 93

[Communique issued by the Haitian Army General Command in Port-au-Prince on 29 July]

[Text] In a communique dated 29 July, the Haitian Army General Command condemned the 27 July attempted assassination by armed assailants of Senator Thomas Eddy Dupiton, who is president of one of the two opposing parliamentary blocs in the Senate.

The military communique states: Such acts of violence will only bring about the deterioration of the climate of social [word indistinct], serenity, and political balance sought by the signatories of the New York Pact in order to reach a social truce, a basic element for a final solution to the country's crises.

In addition, the text reiterates the willingness of the Haitian Armed Forces to not fail in their mission to guarantee safety, peace, and order. It explains that instructions have been given to search for, arrest, and refer the perpetrators of this unspeakable action to the Justice Department.

Jean-Louis Resigns; Senate Presidency Elections Announced

FL3007154493 Port-au-Prince Signal FM Radio in French 1030 GMT 30 Jul 93

[Report by Daly Valet—recorded in Creole]

[Excerpts] In connection with the normalization of the parliament, Senator Firmin Jean-Louis, president of the opposition blocs in the Haitian Senate, announced in Port-au-Prince on 29 July that he has agreed to allow new elections for the presidency of the Senate. This opens the way for naming and appointing a new prime minister. Considering himself constitutionally elected, Jean-Louis of the National Front for Change and Democracy, FNCD, which supports President Jean-Bertrand Aristide, has so far refused to hold new elections for the Senate presidency, as requested by his political adversaries, in line with the 16 July accord signed at the United Nations. This document provides for the normalization of the Haitian parliament torn apart into two opposing blocs.

According to a private radio station in the capital, Jean-Louis is reportedly ready to hold elections. Thomas Eddy Dupiton, the other president of the Senate, who was injured on 27 July in an armed attack and who was released from the hospital on 29 July, is also running. According to a parliamentary source, the elections should have taken place on 29 July, at the end of the day. Let us listen to Daly Valet.

[Begin Valet recording, in progress] ...the Haitian Senate on 29 July. The situation has remained tense. The positions are so contradictory that a session that began this afternoon [29 July] at about 1500 with a quorum of 14 senators almost failed. Contrary to what was being said, the Constitutionalist Anti-Corruption senators have agreed to hold elections in the Senate this afternoon. Sen. Firmin Jean-Louis has already resigned. There is now a provisional office heading the Senate. It is presided over by the most senior member, Sen. Franck Leonard of the Alliance for Parliamentary Cohesion [ACP]. The office also includes the two youngest senators: Jacques Rony Mondestin of the Anti-Corruption Bloc and former ACP member Serge Joseph, who seem to be allied with the members of the Constitutionalist Anti-Corruption bloc.

This provisional office established for the elections—as requested by the Firmin Jean-Louis team—has had problems holding elections because the ACP senators have asked that the elections be postponed until tomorrow, 30 July, due to Sen. Dupiton's absence.

Dupiton has stated he will be present on 30 July although he has some problems. [passage omitted] [end recording]

The normalization of the Senate has been the latest obstacle to the process of naming and appointing a new prime minister. The Chamber of Deputies, in which the FNCD is a minority group, concluded its process on 28 July through a political compromise. Its president, Antoine Joseph, said on 29 July that he was ready to go quickly to Miami or Washington with his newly elected Senate colleague to discuss with President Aristide his choice of prime minister, as provided by the Constitution. [passage omitted]

Chamber of Deputies Finalizes Executive Structure

FL3007182793 Port-au-Prince Signal FM Radio in French 1030 GMT 30 Jul 93

[Text] The situation in the Chamber of Deputies, which has its new complete office, is good. The results were announced 28 July at 2000. The office, which has been working with two elected members—a president and a vice president—has been established since 22 July. Deputies Fritz Robert Saint-Paul and Luc Dieudonne were elected first secretary and quaestor respectively. Antoine Clerval was elected second secretary.

The new and complete office is composed as follows: Antoine Joseph of the Alliance for Parliamentary Cohesion [ACP], president; Yves Pericles Beauge of the ACP [as heard] [Nationalistic and Progressive Revolutionary of Haiti and Socialist Group member], vice president; Fritz Robert Saint-Paul of the National Front for Change and Democracy [FNCD], first secretary; Antoinier Clerval of the ACP, second secretary; and Luc Dieudonne of the FNCD, quaestor.

The next step is to establish the procedures for forming permanent committees, which the Chamber of Deputies began on 29 July. The Chamber of Deputies will have to meet soon to approve President Jean-Bertrand's prime minister designate. The new office will be renewed in January 1994 through elections.

Former Senator Announces New 'Compromise' Party

FL3007205093 Port-au-Prince Signal FM Radio in French 1030 GMT 30 Jul 93

[Report on news conference by the Patriotic Union of Independent Democrats, UPDI, in Port-au-Prince on 29 July; italicized passages in Creole]

[Excerpts] A new political party has been formed in Haiti, UPDI [Union Patriotique des Democrates Independants]. It believes that the country should end the diplomatic isolation it is experiencing through compromise. According to UPDI spokesman, former Senator Robert Opont, [Haitian Christian Democratic Party dissident] the crisis has lasted too long. The following is a report by Jean Luckenson.

[Luckenson] *During a 29 July news conference, the UPDI took the opportunity to take a stand on the crisis that has been crippling the country for over 22 months. The conference presented the newborn party to the national and international community. Following is a statement by Robert Opont, former senator of the Southeast [as heard] and UPDI spokesman: After making several compromises, we finally realized that the country cannot continue living in diplomatic isolation. The first (provisional) general assembly of the party took place on 12 June. We decided to call it UPDI.* [passage omitted]

Regarding the crisis that is destroying the country, Sen. Opont believes that all sectors of the national life are concerned and must demonstrate their sincerity through fraternal solidarity to get the country out of its current deadlock. According to the UPDI spokesman, we must respect the agreements as well as the national and international conventions we have signed. He took the opportunity to point an accusing finger at those who are trampling the Constitution and to ask them to return to the Constitution soon.

[Opont] *In this country, we have laws and principles that explain how this nation's sovereignty can be respected. We also have signed many international conventions and agreements. We, who are responsible, who live as various pressure groups, who live as institutions believe that the concerned authorities within this country must learn to respect all our laws, principles, conventions, and international agreements that we have signed in order to connect them with the country's political realities for an actual disentanglement of the crisis, so we can achieve a true return to the Constitution, to the fundamental law of the country.*

[Luckenson] *Asked what steps UPDI can take toward the resolution of the country's crisis, the former senator answered: Up until now, we have been taking informal steps because we have not yet been legally recognized. Concerning the mission that is coming to professionalize the Army, we are in perfect agreement because President Aristide has asked for it within the limits of the Constitution.*

Jamaica

Opposition Threatens Action Against Elections Director

FL3107001093 Bridgetown CANA in English 2147 GMT 30 Jul 93

[Text] Kingston, Jamaica, July 30, CANA—Jamaica's parliamentary opposition Jamaica Labour Party (JLP) has threatened court action because it says former director of elections, Noel Lee, is still functioning in that capacity, although his contract expired nearly two months ago.

The JLP in a statement said Lee had continued to "attend his former office at the electoral office ... And we have been further advised that he continues to receive the salary and other benefits provided for the director of elections, which are being paid for by the electoral office." The JLP accused Lee of inefficiency during the March 30 election which it lost by a landslide, and even before the poll opposition leader Edward Seaga demanded his resignation. The party has since made it clear that it will not support his reappointment.

Following the expiration of Lee's contract in June, Lee was asked by the government to continue to serve temporarily, pending a new appointment. The opposition objected at the time, arguing that the law governing electoral appointments did not allow for the government to temporarily appoint anyone as director of elections.

Only last week, Governor General Sir Howard Cooke named three new independent members of the seven-member electoral advisory committee which oversees Jamaican elections, following the expiration of the life of the previous committee. The new members, lawyers William Karl Chin See, Pamela Benka-Coker, and businesman Peter Thwaites are to sit with two nominees each from the ruling People's National Party (PNP) and the JLP to select a chairman as well as recommend a director of elections.

The JLP in its latest statement charged that "by a totally illegal and improper procedure, the government has sought to facilitate Mr. Lee remaining in the post, with blatant disregard for the legislation by which he formerly held the post of director of elections.

"Not only has the government ignored the procedures established in the legislation which deals with the post of director of elections, but the government has acted with arrogant disregard for the opposition's stated position...."

The JLP said it had lost all confidence in Lee and "will never support his re-appointment." It said the party would be seeking legal advice "with a view to pursuing this matter in the courts immediately."

No response has come thus far from the government, and Lee could not be reached for comment.

Trinidad and Tobago

Gas Prices Increase by 9 to 15 Percent

FL3107020393 Bridgetown CANA in English 2155 GMT 30 Jul 93

[By Linda Hutchinson]

[Text] Port of Spain, Trinidad, July 30, CANA—Trinidad and Tobago on Friday announced higher gasoline prices. Gas prices are increasing by between nine and 15 percent, Energy Minister Barry Barnes told a news conference. He said the increase would be effective from 6 PM (local time).

Last year January, the price of gasoline was increased from TT1.50 to 1.95 dollars (one TT dollar = approximately 17.5 U.S. cents).

Prime Minister Patrick Manning, addressing his San Fernando East constituency earlier this week, served notice that the hike was coming "very, very soon." He said government had "no alternative" but to increase the price of gasoline "not too long from now." He said that with the fall in domestic oil production and depressed international oil prices, government could no longer continue the level of subsidy to gasoline production.

Leader of the opposition United National Congress (UNC) Basdeo Panday said the increase in gasoline prices will have a ripple effect in the country.

"My first reaction when I heard the PNM government was going to raise the price of gas was to tell all those who had voted for the PNM, that it (was) good for them but it's a matter more serious than that so it needs greater consideration," he told the Caribbean News Agency.

"It is obvious that the increase in the price of gas will increase the price of transport, and therefore all those goods and services which have a high transport cost input are going to rise and that would be most goods and services and so as prices rise I think what's going to happen is that there is going to be a rise in cost of living and a fall in standard of living."

Finance Minister Views Divestment as Opportunity

FL3007224993 Bridgetown CANA in English 2011 GMT 30 Jul 93

[Text] Port of Spain, Trinidad, July 30, CANA—Trinidad and Tobago's Finance Minister Wendell Mottley thinks government's divestment programme presents an ideal opportunity to the twin-island state.

It offers the chance "...Not only to restructure the state enterprises, but more fundamentally to put the Trinidad and Tobago economy on a more viable footing to meet the looming challenges of development as we approach the 21st century," he told public enterprise managers. He said that divestment also presented the country with the tool of achieving increased private sector participation in the economy while rationalising government's investment to achieve greater efficiency.

Government which participates in 83 enterprises with an estimated value of more than TT5 billion dollars (one TT dollar = about 17.5 U.S. cents) plans to divest 26 companies. Of the state enterprises, thirty-two are wholly owned, 19 majority owned, and 15 with minority interest. Government has indirect holdings in 17 other enterprises.

Already divested are the fertilizers of Trinidad and Tobago (Fertrin) and the Urea Company to Arcadian Group of the United States, Farrell House Hotel, and the Trinidad and Tobago Printing and Packaging Company.

Mottley said while the state enterprises has made significant input to the economy of Trinidad and Tobago by way of their contribution to the gross domestic product and foreign exchange earnings from exports, many enterprises found difficulty in balancing their annual budgets. As a consequence, they had to rely on government contributions in whole or in part for their funding requirements.

Another major area of concern to the government was the sector's burgeoning external debt which had to be serviced from scarce foreign exchange, he said.

"Profitability alone cannot be the only yardstick of performance of these enterprises, particularly in those cases where the output of a particular enterprise took on the characteristic of a public good," he said. "But even as we admit this, we must also recognise and be prepared to accept the fact that the economic fortunes of this country are not what they were when the policy was first articulated."

Stating that the economy continues to adjust to reduced domestic oil production and the decline in the international price of oil since the early 1980's, Mottley noted that during the 1982-1987 period, nominal gross national product per capita measured in the U.S. dollar fell by more than 50 per cent.

Over the same period, petroleum export earnings fell by close to 50 percent, with the result that net foreign reserves which had totalled U.S.1 billion dollars in 1986 turned negative by 1988.

Mottley said the more immediate and fundamental benefits which the divestment exercise was expected to achieve include enhancing the domestic climate for investment and private sector activity; improving competition and leading to greater efficiency in the provision of services; improving the fiscal and balance of payments situation over the medium term; increasing the in-flow of foreign investment; and providing opportunities for government participation on a joint-venture basis in new activities where government equity participation was deemed desirable.

The minister said government's participation in commercial activities will continue in areas of strategic importance such as oil and gas, enterprises providing a social service, and other businesses of strategic importance in which investors may be unwilling to undertake investment altogether without government's participation.

Solana Vows To Oppose Rights Violations of Citizens Abroad

PA2907004393 Mexico City NOTIMEX in Spanish 2155 GMT 28 Jul 93

[Excerpt] Mexico City, 28 Jul (NOTIMEX)—It was reported here that Mexico respects the right of each country to establish its own immigration policies, but Mexico "will continue to oppose all violations of human and labor rights of Mexicans who are abroad legally or illegally."

Foreign Secretary Fernando Solana said Mexico does not restrict the movement of Mexicans across its border. "They may come and go freely," Solana said.

Commenting on changes to the asylum and immigration laws announced on 27 July by U.S. President Bill Clinton, Solana said Mexicans are working hard to overcome the backwardness that forces many Mexicans to go to the United States.

"We are determined to make serious efforts to see that satisfactory social, economic, and cultural conditions exist in our country so everyone can live properly," Solana added.

The head of Mexican foreign affairs said that is why "Mexico will continue to oppose all violations of human and labor rights of Mexicans who are abroad legally or illegally."

Solana stressed that the primary objective of the Mexican consular system is to protect the rights of Mexicans abroad and that the system will continue working to ensure those rights. [passage omitted]

Cuban Ambassador to Mexico Expresses Concern for 'Crisis'

PA3007140493 Mexico City NOTIMEX 2123 GMT 28 Jul 93

[Text] Mexico, 28 Jul (NOTIMEX)—The economic measures announced by Cuban President Fidel Castro allowing foreign investment and free foreign currency circulation on the island are aimed at rescuing the country and its revolution, both of which are notably threatened. Cuban Ambassador to Mexico Diego Fernandez de Cossio acknowledged that the crisis in his country is reaching stressful proportions as a result of the economic and trade blockade imposed by the United States which has lasted more than 30 years and the fall of the European socialist countries.

In an interview at the Mexican Foreign Relations Secretariat, Fernandez de Cossio commented that the U.S. siege on the Cuban economy had caused losses amounting to more than $40 billion, and trade exchange with the former Socialist block had fallen by 80 percent.

Fernandez de Cossio indicated that another aspect of the crisis is the scarcity of energy since, while in 1990 Cuba could rely on 13 million tons of crude oil, currently it only gets 3 million tons. The diplomat said that in light of this situation the Cuban people and government appreciate the support received from the EEC nations because unselfish help will always be a relief.

With respect to the Cuban Government's disposition to initiate rapprochement with the United States, he indicated that "the commander has always stated his willingness to examine all differences with that nation in a climate of equality, respect, and reciprocity."

However, he clarified that it is still too early to evaluate what can be expected from the U.S. Democratic administration in its relation with Cuba and the rest of the Latin American countries, most of all when the influence of previous Republican administrations is still being observed.

He said that the socialist Government of Cuba opened itself to foreign investments without violating its Constitution or its principles, therefore only investments channeled to specific productive sectors will be accepted, and speculative investments will be rejected.

Commerce Secretariat Issues Foreign Trade Law

PA2907172393 Mexico City NOTIMEX in Spanish 2136 GMT 27 Jul 93

[Text] Mexico City, 27 Jul (NOTIMEX)—The Mexican Commerce and Industrial Development Secretariat has issued a foreign trade law that will help to boost productivity and to project the Mexican economy into the international context in an adequate manner.

The law, which was published in the DIARIO OFICIAL DE LA FEDERACION on 27 July, empowers the Executive Branch to impose, increase, decrease, or eliminate tariffs, as well as to regulate the export, import, flow, and transit of goods whenever it deems it appropriate.

Among other attributes, the law will also serve to regulate or restrict the flow or transit through the national territory of foreign goods coming from or going overseas.

El Salvador

FMLN Reacts to Nicaragua's H. Ortega Remarks on Arms Caches

PA3007231493 Panama City ACAN in Spanish 2118 GMT 30 Jul 93

[Text] San Salvador, 30 Jul (ACAN-EFE)—The former Salvadoran guerrillas stated that the discovery of several arsenals in Nicaragua belonging to one of its organizations is an issue that has "already been worn out" and the only thing pending is the delivery of a new inventory to the United Nations.

Wilfredo Marroquin, spokesman for the political directorate of the former rebel organization, told ACAN-EFE that "as far as we are concerned, the topic of the weapons in Nicaragua is worn out, everything that had to be said has already been said, and what is going on is a continuing disparagement campaign against the FMLN [Farabundo Marti National Liberation Front]."

The FMLN reacted thus to the accusations leveled today by General Humberto Ortega, chief of the Sandinist People's Army, who stated that some of the organizations that form the former Salvadoran guerrilla movement still have arsenals in Nicaragua.

Nicaragua

H. Ortega Reacts to U.S. Aid Suspension

PA3007221993 Managua Radio Ya in Spanish 1500 GMT 30 Jul 93

[Speech by General Humberto Ortega, chief of the Sandinist People's Army, EPS, on the occasion of the 14th anniversary of the foundation of the Sandinist Air Force and Air Defense, at Air Force Headquarters in Managua—live]

[Text] I want to take advantage of this celebration, of great importance to us, of the 14th anniversary of our Air Force to refer to the tense and confusing situation the country is going through in light of the worsening political crisis.

I believe it is important that we, Armed Forces members, clearly understand the nation events so we are able to act more astutely to meet our constitutional duty and our duty as professional soldiers of the Republic of Nicaragua.

First of all, I want to refer to the destabilization plan being furthered over the past few months by different extremist sectors to put the Nicaraguan Government in an intolerable situation. I would particularly like to refer to the whole destabilization plan that, through different domestic and foreign acts, leaders of the sector known as the right-wing have been bolstering over the last few months. This plan has been bolstered by the initiative of the U.S. Senate, fostered by Congressman Jesse Helms, who is well known to all of us and to other Latin American countries for his conservatism and extremism. It is part of that destabilizing effort against our efforts to achieve reconciliation, peace, and understanding which, in spite of the contradictions, we have been imparting in Nicaragua for the past three years.

It is important to point out this initiative by Congressman Jesse Helms is part of that destabilization plan and not a simple interest to fight world terrorist activities, and supposedly, terrorist activities by the Nicaraguan Government, and particularly, by our Armed Forces. This initiative by conservative Senator Jesse Helms is the culmination of an effort orchestrated by right-wing leaders who met recently with Helms supporters. We know about their past links. They decided to intensify all kinds of pressure to impose their extremist right-wing positions on Nicaragua.

Among some acts carried out prior to the U.S. Senate decision, we can mention the insolent attitude displayed by some high ranking U.S. political leaders in contacting recontra forces, endorsing them, and trying to legitimize them in case of any future negotiations. As part of this destabilization plan, we also uncovered the selection of right-wing leaders who, once and for all, would break the dialogue the government has been encouraging as the preferred mechanism to slowly reconcile the differences plaguing Nicaraguan society. The UNO [National Opposition Union] leadership has definitely decided to break the dialogue and move on to what they have termed an emerging agitation plan [plan de agitacion emergente] that will allow destabilization efforts against the Nicaraguan Government to go forward. I will now refer to the so-called emerging plan.

Another important element is related to the efforts of these right-wing groups to obtain the implementation of a constituent-type government in Nicaragua. This would entail eliminating the Constitution currently in force and implementing a constitution more to their liking and to that of Mr. Jesse Helms. What is it they seek in a constituent-type government? First, to strip power from the president of the Republic, to completely weaken the executive branch and thus succeed in their objective: to govern from the National Assembly. By then resorting to the various national assembly mechanisms, they will then take control over the country's entire economic policy.

Why the need for constitutional reform? It is just in case they cannot obtain a constituent-type government; for the same reasons as stated before. It is important to understand the objective sought by these destabilizing sectors. When they talk about a constituent- type government or refer to constitutional reform, they refer to the same thing. The main objective is to weaken the head of government. The next step will be to proceed to neutralize and intervene in the head of the government and in the government in general and to control Nicaragua's destiny completely from the National Assembly.

They want to control other aspects—in addition to all the economic policies—so that at their whim and will they can favor those who traditionally have accumulated exploited capital from our people. In this way they can benefit those who in past have violated our sovereignty, those who in the past have allowed themselves to be manipulated by the United States. They seek to weaken the government in the economic sector and seek overall control of the government.

They also want to reduce—within this framework, within this strategy—the presidential term of office. This is another of the objectives these people are seeking through the Constituent Assembly and other means. They want to cut the presidential period, in addition to weakening the president's ties to the Armed Forces by stripping the president of her status as defense minister and replacing her....[pauses] I said that part of that strategy to weaken the government and the executive branch also includes stripping the president of her status as defense minister and replacing her with an UNO member, such as Azucena Ferrey or Luis Humberto Guzman. All of this is done in the endeavor to introduce elements of constant confrontation and distortion with our Armed Forces and destabilize the armed institution, which is one of the institutions that has made the most progress in the past 14 years to provide Nicaragua with serious and modern institutions that support the regime of order and security to head on the democratic course that Nicaraguans have been seeking and struggling for throughout this century.

All of this right-wing sectors' efforts to gain its objectives are being strengthened by initiatives by Conservative Jesse Helms, their foreign ally. That is why these sectors have stepped up their attacks now against everything that represents negotiations, against everything that represents peaceful solution, against everything that represents understanding. That is why they have decided to foster right now what they call the emerging agitation plan. They believe that until the U.S. Congress definitely decides whether or not it will cut off the aid to Nicaragua—in a little over one month—they will step up their activities, step up their disinformation campaign, their blackmail. In this way they seek to deceive national public opinion and particularly to continue deceiving U.S. public opinion, which influences the congressmen. In this way, when Congress debates the Helms initiative and decides on its approval or rejection, better conditions will exist to cut off the aid the United States has been providing the Nicaraguan Government.

We know very well that the most important right-wing officials have continuously tried to boycott Nicaragua's efforts to get aid not only from the United States but from European countries and other countries. So it is nothing new to find these extremist officials again trying to cut off the aid and fulfill their destabilizing goals.

The emerging plan calls for the following, among other things: Use all the UNO political mechanisms, particularly the mayors and other officials who sympathize with their plans, to sponsor a permanent state of unrest; hold town meetings; issue proclamations and manifestos—in sum, different activities—demanding a plebiscite that would allow the imposition of either a constituent assembly or the constitutional reforms they seek.

They intend to sponsor a continuing state of unrest through what they call an internal civic front that includes UNO sympathizers who are in any way disgruntled with the Nicaraguan Government. The activities carried out by that internal civic front will also be joined by Sandinist sympathizers organized in unions, community groups, and other groups that are in any way disgruntled with the Nicaraguan Government.

In other words, the right-wing groups intend to involve Sandinist groups in their plans to exert overall pressure on the Nicaraguan Government. They also intend, and they have partially achieved this goal, to include the participation of Higher Council of Private Enterprise [Cosep] leaders, or all Cosep members, so they will withdraw from any process aimed at seeking a negotiated solution to the grave economic and social crisis that prevails throughout Nicaragua.

An important step has been taken in this direction by the Cosep and organizations that depend on Cosep. They have withdrawn from the positive discussions that were being held in an effort to find solutions to the economic and social problems at the well-known agricultural table, which has already been installed and which included the participation of the Cosep or Cosep groups' representatives. They have momentarily withdrawn from that important agricultural table, that important effort to progressively find a solution to the difficult situation in the agricultural sector. We hope they amend their position and return to the fold of a constructive and mature discussion.

They also want to involve the Permanent Workers' Congress [CPT]—as the representative of non-Sandinist labor unions—in this destabilizing effort to preclude all possibility of communication and dialogue with the Nicaraguan Government. Likewise, they are bent on creating a private emergency banking institution and establishing a common fund among businessmen throughout the country to contribute toward the financing of the ongoing destabilization activities they plan to encourage and thus to influence the definite cut in U.S. assistance to Nicaragua.

One way or another, they are intent on compromising all Nicaragua's Catholic Church bishops. Instead of spending their time orienting all of us with respect to mechanisms of peace and reconciliation, the bishops are being pressured into taking political sides. This is happening now, at a time when we believe that the Catholic Church must help us all to understand each other instead of to misunderstand each other.

All this effort is aimed at economic boycott, at boycotting foreign aid as a means to create more apprehension among the population and, as the people say, make

the people more restless [acarrear agua a su molino] by taking advantage of the desperate situation of thousands of Nicaraguans. They are also taking advantage of the desperate situation of those Nicaraguan brothers currently suffering extreme poverty, living in poverty and unemployment. These plans only seek to confuse them more and propel them into these destabilization activities, which in the final analysis will not bring any solutions. On the contrary, they will only serve to worsen our nation's already serious situation of economic and social decay.

It is each persons's obligation to contribute toward building this nation. Everyone must contribute from their own sector in such as way as to slowly solve our problems until we can finally succeed in eliminating poverty.

This destabilization plan is bent on encouraging what they call civil disobedience among the population. This means that through various acts the population will disobey the country's laws and government administrative mechanisms. This is to take place in such as way as to boycott all government efforts and practically lead the country to a chaotic situation in which every citizen, by taking refuge in this so-called civil disobedience, will simply do as he considers fit without any consideration for the framework of the law, coexistence, or government administration.

Once they have accomplished this civil disobedience situation, a constituent-type government, constitutional reforms, convinced the Sandinist forces to participate in these destabilizing efforts, and once the government has to confront an explosive and chaotic situation, then they will bring to bear what they have been preaching—such as the UN peacekeeping forces. Part of this destabilization plan includes the possibility that, in facing a chaotic situation where the government does not govern and the Armed Forces cannot control anything, in their opinion the only solution will be foreign intervention, like in the past. This solution only bequeathed on our history anguish, blood, underdevelopment, and backwardness.

Foreign military intervention will not guarantee order and security in Nicaragua. Other politicians last century sought the foreign military intervention in Nicaragua. William Walker came here to try to enslave all Nicaraguans. On other historical occasions, arguing disorder, government's weakness, and other pretexts, U.S. military intervention has occurred in the present century but it has not resolved anything. And under the current circumstances, the military intervention would not resolve the problem of Nicaragua. On the contrary, it would worsen it.

That is why all our people must flatly reject these initiatives seeking the arrival of Blue Helmets, because hiding behind that initiative is the purpose of the extreme right-wing sectors to destroy the constitutional, legal, and solid instrument that is the Armed Forces of Nicaragua, the Sandinist People's Army [EPS]. In the end, that is what they seek. In the end, those who ask for the Blue Helmets want to impose a National Guard, which they were not able to impose on us during the past war, and which—in a heroic manner—our people, soldiers, and pilots defeated during the war against the reinstallation, the counterrevolution proposed by Ronald Reagan.

They could not defeat the Army and, therefore, they were not able to impose a counterrevolutionary army to do whatever they wanted here in Nicaragua. Today they call for Blue Helmets, like the Trojan horse, supposedly to remove this army and impose theirs.

That is why I urge profound reflection by those who honestly, desperate for real peace in Nicaragua, have been manipulated into requesting Blue Helmets, without realizing they are being used by these extremists.

I am sure that Cardinal Miguel Obando y Bravo has at no time wanted armed intervention here but has instead wanted, as we all do, the quick attainment of total peace.

Why all this? The purpose is that all this civil disobedience, all this agitation, including the possible foreign armed intervention, particularly by the United States, may lead us to two situations: The total collapse of the government headed by Violeta Barrios de Chamorro or allowing, in light of such a crisis, President Chamorro to continue to head the government only on the condition that the government cabinet resign and she alone remain in front of a government they would appoint.

In other words, they would leave her totally powerless, with neither political nor constitutional power. Presumably a constituent assembly would be called or substantial changes would be made to the Constitution to remove all the president's power, leaving the president without any direct administrative power because she would no longer be defense minister.

We, therefore, are up against this situation. Here is where one can clearly understand Mr. Jesse Helms' intentions. U.S. Congressman Helms intends nothing other than this: Senator Helms seeks to destroy the new type of democratic course that all Nicaraguans, without political or ideological differences, are obliged to build in Nicaragua. That is what this destabilization plan seeks to kill.

In this same way popular sectors are being deceived in Nicaragua, the same way Nicaragua's religious men are being manipulated in our country, the same way Mr. Helms is manipulating his own colleagues in the United States because of a lack of adequate information. Helms intends to deceive and manipulate the whole U.S. Congress and the U.S. people, something that will fail sooner or later.

Within this framework the events in Esteli took place. I will refer to them now. The Esteli phenomenon is a typical phenomenon of rearmed groups that remain in our country after a heroic effort, a sacrificial effort, a

meritorious effort by all Nicaraguans trying to leave behind armed violence and start a new path of peace to resolve the other multiple problems that will continue to afflict Nicaragua, such as material things, economic shortages, and social problems.

Over the past few years Nicaragua, despite everything, has attained the peace that we all want. We cannot say that because there are still over 1,000 rearmed people in our country peace has not been winning over war. We can say that over these past five years, including these years with the new government, the great winner has been peace, which has been defeating war thanks to the efforts made at Esquipulas, prior to the elections; Sapoa; and afterward with the new government. Peace has been defeating the warmongers. In 1990 thousands of civilians had war weapons, grenades, explosives. In 1990 former Nicaraguan Resistance forces had not yet disarmed. Today, however, there are no longer thousands of armed citizens—citizens from all walks of life. Now the armed are a minority and, even though a they are a minority, we cannot underestimate them. It is the duty of all Nicaraguans to end this problem.

Any fighting group, regardless of how small it may be, even if one armed man continues to cause problems for the average citizen, the peasants, the farmers, the businessmen, the priests, or whomever, as long as that threat exists, we must not fall prey to conceit. We cannot mislead our people, who are going through severe economic and social deprivations. Nor can we continue to enhance their anguish by feeding them false concepts of what is really taking place. The reality is that we are advancing toward the path of peace by defeating the warmongers and by overcoming war. Today we are a lot better off than in 1990 as relates to the threat of the rearmed. In 1991 we were a lot better off than in 1990. In 1992 we were a lot better off than in 1991.

Now, in 1993, we are a lot better off than in 1992 as relates to that same threat. I am quite sure. I would like to call on all those rearmed groups and reiterate an invitation to contribute to Nicaragua's total peace efforts. I call on them to take advantage of the amnesty proposal, to enter the security zones so we can all work together to defeat the great battle against poverty, economic shortcomings, and all the current problems we face that prevent us from accomplishing that great objective of eradicating poverty and developing the economy.

In Esteli a rearmed group decided to increase its activities and, manipulated by a smaller group of former EPS members led by Pedro El Hondureno [Victor Manuel Gallego Hernandez], they decided to carry out this operation. If you observe carefully, this operation merely served to encourage the plan by those who are intent on destroying the peace process and the real establishment of democracy in Nicaragua. [20-second break in reception] will only contribute to the destabilization efforts by those right-wing extremists. That is why immediately after the Esteli events began to develop, they started to call for foreign military intervention, and a group of cattle growers mistakenly decided to repeat the same demands. According to them, there was allegedly no military authority in Nicaragua to confront the problem.

In practice, the Esteli events became just one more right-wing effort. I would like to stress that the members of the so-called Peasant-Worker Revolutionary Front [FROC] are not former EPS members. That is completely false. Of that significant portion of rearmed men who are about to take advantage of the amnesty and who have already submitted to Special Disarmament Brigade inventory, not one, or maybe one or two, may have been active EPS members and may have been part of the PL-1 or PL-2 retirement programs or of any of our Army retirement programs.

Sandinist media sources have somewhat irresponsible spread the notion that all EPS retirees are against the army and now have a leader. Sandinist media have also irresponsible promoted a person such as this adventurer, Pedro El Hondureno, as a leader. We believe that it is careless and dangerous to spread this image because this merely results in adding to the general destabilizing efforts promoted by extremists on both sides. Some right-wing and left-wing extremists mistakenly see no other alternative. Even some Sandinists mistakenly see no other alternative than to have this government collapse and for other events to occur, regardless of what they may be. We believe this is a serious mistake. It is an adventure.

I would like to point out that the majority of the men who were discharged from the Army are not members of rearmed groups. The majority of the men retired from the Army are, in one way or another, confronting the serious difficulties prevailing in Nicaragua, just as hundreds of thousands of Nicaraguans are facing this hard economic and social reality.

The majority of the men discharged from the Army are not criminals or bandits or anything like that, and the Army Staff, the Army as a whole, has never treated them as such.

We have stated that rearmed groups, like that of Pedro El Hondureno, have in fact committed acts of vandalism and adventure. We even have reports of common crimes and even rapes of humble peasant women that have been committed as a result of this uncontrolled irregular activity.

But it is not true and we call to the responsible attention of the Sandinist media that there is no rift between this Army, which is going through difficulties for the sake of a dignified Nicaragua and is walking a historical and democratic path, and its former companions. Even more dangerous is the fact that some members of these media wish there really was an armed confrontation between this Army and the heroic former Armed Forces members.

We are aware that our brothers who were members of the Army are going through serious problems and that these problems also existed when they were in the Army because our Army has always had a very tight budget. When there were more of us, each one of our officers had more difficulties. It was necessary to reduce the Army to be able to guarantee an Army for all Nicaragua, to be able to have officers like the ones we have here today in the Air Force, to give them more possibilities for professional improvement, for education, for studying languages to keep up with modern technology; more possibilities for living a more dignified and less insecure life.

I would also like to point out that we recently revised the agreements we reached with the retired soldiers, and we can say that the majority of the agreements we reached with them have been basically fulfilled, that some of the agreements have not been fulfilled, and that, as Army Staff members, we are telling the different government offices that we must find a way to fulfill the agreements as soon as possible, that the bureaucracy must be overcome, that acts of revenge—wherever they are found—must be overcome. We are telling them that the obstacles set by some mayoralties to, for example, block the delivery of land to all the retired soldiers must be overcome.

We, members of the Army Staff, agree that we will provide all our support and sponsorship so that, in the shortest time possible, all those retired soldiers who were given a lot or piece of property may have it made legal and get their property deeds to eliminate any obstacle to their having, like any other common citizen, access to credit and other economic and social activities in the country.

We have promised this. We have always promised to do this. We must also point out there are specific situations that do not allow us to solve problems automatically, even though the high command is determined to help solve these situations and fulfill parts of the agreements that have not been fulfilled. I want to point out another thing so the media may reflect the information accurately or better. Other agreements exist and they have absolutely nothing to do with the retirement agreements. These agreements have been reached by retired comrades, just like with any other citizens, within their efforts to develop a new life in the economic and social sector. For example, when agreements are reached with taxi cooperatives they are the same agreements reached with sugar cane workers, people who work for wages in the countryside and the city, or any government employees.

Anyway, we are not responsible for these problems, but comrades have every right to complain about any failure to implement these agreements. There is truly a framework of liberty and democracy here. No one will be persecuted for their ideas or struggles. Their struggle will prove successful provided it is strong and supported by other people; provided it is waged in a legal, civic, and peaceful manner.

Sandinist media have erroneously tried to depict those who invaded Esteli as simple workers, union members, or students who wanted to protest. It has failed to report they had plans to kill; it has failed to report they killed a policeman early on; it has failed to report that they availed themselves of our helicopters; it has failed to report they shot to kill our officers, or the fact some of our soldiers and police were injured. It has tried to depict them as modern Robin Hoods or as the new Sandinist leaders engaged in their new struggle.

In fact, some Sandinist leaders.... [pauses] Tomas Borge said it was necessary to negotiate with these people and he would surely have done so if he had been interior minister. Former National Chief of Police Rene Vivas also said he would have negotiated. What would have happened here if we had adopted an indulgent position; allowed 150 armed men to enter the town prepared to kill; calmly sent the Army and deployed it in front of these people; and told them: Let's negotiate, let's talk, boys—while they robbed the banks?

What if they said: We will not negotiate; we will not surrender our weapons; we do not agree with the government's proposal; see you later, we are leaving town, there has been no bloodshed, and we will take all the money because we give it to the poor? What poor people would they give the money to? Who can tell for sure that they are giving the money to poor people? What poor people? Their parents, relatives, friends, and cronies? Does that solve the poverty problem in Nicaragua? It does not solve the problem; it is anarchy. As for the leaders who sent those confused or manipulated peasants, they are thieves.

If we had not acted like we did—and like we will do in the future with anyone who stands in our way, whomever he may be, and who tries to prevent us from guaranteeing order and peace throughout the nation—we would perhaps be facing an armed intervention. If we had decided to negotiate, those who seek armed intervention by arguing that we are incapable or mere accomplices of those recompas would have been able to implement their plans. Any negligence or hesitation would have surely been the ideal pretext for a military intervention that would destroy any real possibility of achieving a new democracy in Nicaragua.

It is, therefore, important that the media be clear that Sandinism must effectively define its path and that in Esteli we acted not only because it is our obligation to uphold order for all our citizens but also because we are thinking people and patriots with revolutionary training. We are men who will never allow this institution to become an instrument of exploitation and oppression or of revolutionary fanaticism and dogmatism.

Ours is an institution that has to guarantee a better future for Nicaragua by defending the Constitution and the laws without any preferential treatment. We favor all Nicaraguans and that is why we foster peace, order, and security.

We are satisfied with the way we acted at Esteli. We did all we could to prevent the bloodshed of innocent people. Those who prompted our actions are the ones responsible for the civilian casualties. We minimized our actions in an attempt to decrease the possibilities of civilian casualties [word indistinct].

The Air Force was used very sparingly in combat and then only in a few required areas. Plans were basically used for the transportation of troops and to evacuate injured people. We are aware that our troops need improvement. We have to improve our actions to avoid casualties in our ranks and to prevent civilian casualties as much as we can. We are open to healthy, constructive criticism. We accept criticism designed to improve us, not to destroy and [word indistinct] us.

Well, that is what happened in Esteli. I want our Army to be very clear about this. I also want it to be very clear that we have nothing against retired Army personnel. The people definitely know a retired soldier is no bum or bandit. If a small group of former Army members have acted as bandits and committed acts of vandalism, this by no means disqualifies all those former Army members who won the people's respect and a place in Nicaragua for their many sacrifices in the ranks of this Army. We are duty-bound to state this clearly so that society recognizes it. Each and every one of us will retire at some point. We need people to view us with respect and treat us with dignity. Former and present Army members have won this recognition; they deserve and demand it.

Lastly, I want to briefly refer to the weapons cache that is now being used to cover up this intent to destabilize. I only want to say that I was the first person to publicly announce that the FPL [Farabundo Marti Peoples Liberation Forces] was responsible for the Santa Rosa cache. It was at an event similar to this one, where Army brothers—officers and soldiers—came together and where I had the honor of presiding over the command staff to inaugurate our military academy. On that day I announced that the FPL of El Salvador was responsible for that cache. I have already commented, on a previous occasion, on the careless way in which they acted and how they abused the solidarity they received through so much sacrifice by Nicaraguans.

They abused the freedom in this country to stash their caches behind all of our backs, put their own interests first, without caring what harm those caches could cause to humble Nicaraguan citizens. What is even more serious is the harm that these could cause to the vital interests of the Nicaraguan democratic process and the new government. This is particularly true of those revolutionary Nicaraguans who are bent on constructing a new Nicaragua. I made this very clear when we inaugurated the military academy. Afterward came the problem of the documents found in the cache, the documents on the kidnappings, and all that was found there. There are no two ways about it, they belong to someone. The owners of the caches are responsible for everything that is found in them. This must be thoroughly investigated by the Government Ministry, the security forces, and the police. This is the attitude that must be assumed to determine exactly what happened there. At no time have we ever refused to....[pauses] On the contrary, we were the first to agree to an investigation so that we would not be held responsible in any way. We support free access being given, as it has been given—before those senators manipulated by Helms requested this—to various international institutions. Interpol and the FBI were here; they even took microfilm before it was developed, to which we still do not have access. We did this in our desire to contribute to finding out who was behind this situation. Because for us as Nicaraguans, with or without foreign aid, it is our duty to make it clear who abuses our territory and who takes advantage of us to promote illegal activities behind our backs.

We allowed access for the investigation that was being carried out, the same way that access was given for the investigations of other incidents. Even Scotland Yard has been here and they have given their opinion to the corresponding Nicaraguan authorities. We believe that anyone who appears to be involved in this should be brought to trial and bear the weight of Nicaraguan law. We believe that anyone who appears to be involved in these incidents should be brought to trial under the nation's laws. This is our opinion, and we are stating it. In the same way the FPL has reported all hideouts and arms cache they kept in Nicaragua after the Santa Rosa cache incident, we even think, and we have said this, that other Farabundo Marti National Liberation Front [FMLN] organizations must immediately surrender arms caches they might still be keeping in Nicaragua and that they have not reported. They must go to Onusal [UN Observers for El Salvador], which is the organization they deal with, to report the weapons caches they have. We are almost certain that there are other FMLN groups—in addition to the FPL and the group led by Joaquin Villalobos, who have so far surrendered weapons caches—that have weapons caches here and have not reported this information. They do not want to accept this and we cannot tolerate this. We do not know, citizens of Nicaragua, what Nicaraguan citizen may be at risk at this time due to a weapons cache here in our country.

We just do not know. We must point out that these guerrillas, like all guerrillas in a war situation, had their own compartments and we were compartmentalized, despite the fact that we had helped them in the past.

The Army cannot be blamed for this situation when we in the past, in our struggle against Somoza, clandestinely purchased and exported guns from the United States itself and clandestinely shipped them from the United States through Mexico, Guatemala, Honduras, and into Nicaragua. We used them to oust Somoza and no one ever noticed.

We are not going to say now that the U.S. authorities—the FBI, the U.S. antidrug organizations—are accomplices of drug traffickers because they have been unable

to prevent over 30 million U.S. citizens from using drugs every day and are thus mainly responsible for drug trafficking in Latin America. We are not going to say that the FBI is in cahoots with drug traffickers just because drugs enter the United States or because they cannot prevent drug pushers from going to the universities or into the streets to sell drugs to youths or children.

Why then are they going to blame us for the criminal acts of others? That is unfair; that is not correct. On this occasion I am making a serious call to the FMLN and to any other group we do not know about who in the past took advantage of the war and may have stored caches to come clean with Onusal, in the case of Salvadorans. I call on these guerrillas, FMLN leaders, to pledge to the Nicaraguan authorities that they really have nothing in Nicaragua and to face the consequences if again they are involved in a new cache that causes grief or bloodshed to our people. This is in regard to the cache.

I want to end my long speech now, but it was necessary and inevitable to broach these topics. I only wish to reiterate that even though all Nicaraguans do not agree, we seek as soon as possible ways to strengthen peace, to determine how to disarm these rearmed groups, and how to increase the number of government emergency relief programs. It is obvious that what has just been approved for these 14 municipalities is not enough. We believe that with the efforts of all Nicaraguans, efforts by businessmen, we can implement similar programs. Instead of having a surplus of 35 million cordobas in this program, we can have 80 million or 100 million cordobas.

This, however, can only be achieved in peacetime. That is why I reiterate today that the first big problem we need to overcome is how we can all agree to secure peace. [six-second break in reception] and then Nicaraguans little by little can begin to agree on how to attain this social and economic agreement that is so urgent to develop the economy and not to have to depend on foreign aid. We must understand once and for all that the United States in the future will give less aid to Latin America every day, so we cannot be dependent on foreign aid. In the United States there have been floods that caused losses in excess of $13 billion and they may have many other problems. So let us depend on our productivity and on our own answers. Many thanks. [applause]

Defense Minister Ortega News Conference

PA3107154493 Managua Radio Ya in Spanish 1625 GMT 30 Jul 93

[News conference by Nicaraguan Defense Minister Humberto Ortega with unidentified domestic and foreign reporters in Managua—live]

[Text] [Reporter] [Words indistinct] a statement by a former Army member called Ojeda who says he received weapons from the Army and police support for the recompas [words indistinct].

[Ortega] [Words indistinct] we have already said he is a former Army member and that it is completely false. He is being manipulated, has no evidence, and has obviously been used. There is no evidence, there is nothing to prove what he says.

[Reporter] [Question indistinct]?

[Ortega] All of us here will remain in our posts in accordance with the Constitution and the laws. I do not really see any willingness among the people to start an insurrection, as some extremists would like. Therefore, [words indistinct] within the framework of the law that we will resolve as we go along.

[Reporter] General Ortega, the post you hold is [word indistinct]. Nevertheless, a constituent assembly should be sovereign, which means that Mrs. Chamorro [words indistinct] of power, and even you or someone else in the Sandinist Front could become president. If that were the case, would you still reject a constituent assembly?

[Ortega] Changing the Constitution is very complex, serious, expensive, and time consuming, and I think it would cause great instability at a time when the country needs the government to have an increasingly greater framework in which to govern. The government needs a greater capacity to govern and more confidence to overcome this crisis [words indistinct]. Thus, I really do not see a constituent assembly as the solution right now. Anyway, that is my very personal opinion, not as head of the Army but as a civilian, a citizen. This is definitely a political mechanism [words indistinct]. My opinion is that it is not the most advisable course of action right now in terms of the country's stability

[Reporter] Gen. Ortega, the group called the Leftist Punitive Forces [FPI] led by former Lieutenant Colonel Frank Ibarra has announced its plans to disarm, but only if Frank Ibarra is granted amnesty. Pedro El Hondureno's group has also declared its intention to accept amnesty as long as the chiefs are included. Would you agree with (?these men) being allowed to benefit from the amnesty the government plans to grant?

One more thing, how is it possible that the Army, with its investigative and security branches, failed to locate the caches of the FMLN [Farabundo Marti National Liberation Front] in time? You said today that you are almost certain that the FMLN has more caches. That means you know where they are. Why have you not informed the appropriate authorities?

[Ortega] If we knew where they were we would have seized them. The world's greatest power, the United States, has not been able to (?find those responsible) for John F. Kennedy's murder, which happened many years ago. There are thousands of drug pushers in the United States and [words indistinct].

It is not a matter of there being a number of problems, but that does not mean the authorities know about them. [sentence as heard] There are crimes all over the world.

There is drug trafficking, there is....[pauses] For instance, in Italy, [words indistinct]. Members of the Basque Fatherland and Liberty [ETA] plant bombs in Spain, and the Spanish authorities and Army are unable to prevent it. The authorities there are unable to prevent it. That does not mean the Spanish Army supports the ETA [words indistinct] in Spain.

You must understand that even though we were tolerant with the guerrillas in the past, even though we helped them out, they have their own infrastructure. We were never told about everything they had. Some of them did not even trust us politically. The truth is that we did not know each other well [words indistinct]. We were involved in a complex negotiation process. If we had acted first, they would have said we were taking advantage of the situation. If we acted after they did, others would say we [words indistinct]. We did have information about the various movements of these groups, but we really did not think they would attack Esteli. [Passage indistinct].

[Reporter] Excuse me, Gen. Ortega, but you did not answer my question on the amnesty issue. Do you agree that amnesty should be granted to Pedro El Hondureno?

[Ortega] I think that everyone who wants peace will [words indistinct]. Those who join the disarmament process have been clearly told they will have access to amnesty. Pedro El Hondureno is the only exception. [Words indistinct] to have access to amnesty. Pedro El Hondureno is the only exception. [10-second break in reception]

[Reporter] Gen. Ortega, you made political and military accusations against right-wing groups and certain Sandinist sectors on 30 July. Does that mean the Army and the nation's security forces are doing intelligence work on the plans you have just disclosed?

[Ortega] We have been working against all the positions of the various sectors. That is what we are doing. We study their actions, positions, calls, and we have the duty, as an analysis group in charge of reviewing information for our defense, to process the data and pass it on to the Presidency. The Presidency will decide what to do about the subversives.

[Reporter] General Ortega, there have recently been various reports regarding the presence of anti-Castroist groups in the north, fighting alongside the recontras. A few days ago recontra leader El Chacal confirmed it. I would like to know if you have any evidence of that. In addition, you said some Sandinists were being manipulated in the destabilization plans. Could you be more specific about which Sandinists you were referring to?

[Ortega] As for [words indistinct] Cubans from Miami. The information we have is more or less the same as what we have given out in the past. I cannot give you more information on that right now. It would jeopardize our intelligence mechanisms, which allow us to know exactly where they are and what to do about them, if they are within our (?territory). I have told you everything I can about these people. [passage indistinct] However, the United States has an obligation to cut off all participation, emanating from Miami, in these subversive activities.

We have heard about the destabilization plans of right-wing extremists who intend to join the demonstrations and protests of Sandinist and people's sectors because of the difficult economic situation they are facing. There are also left-wing extremists who plan to do the same thing. They want to combine their actions to create a total power vacuum in the Nicaraguan Government and achieve their individual goals from the various ideological and political positions.

[Reporter] Good morning, Gen. Ortega. I have two questions. This is the first one: Some in the media have given a lot of publicity to a man who says he is Marcos Sanchez and claims he is a lieutenant, a former Army lieutenant. He has now revealed basically two things: One, Javier Carrillo, the chief of police in Rama, has again summoned him to comprise a five-man squad so a plan can be prepared to kill certain political enemies of the Sandinist People's Army [EPS]. Second, he was part of the first group of men that this man, meaning Rama Chief of Police Carrillo, organized as recompas. In sum, the recompas are the brainchild of the EPS—which supports, strengthens, and protects them. I would like to hear your comments because this is a serious statement.

[Ortega] First, this individual has no evidence on the Armed Forces. In any case, [words indistinct]. In fact, at this point I do not exactly know if he was an Army member. I do not, we do not know yet. We have to check our files. In any case, we have competent courts, justice officials, and investigation agencies. He must prove his charges with evidence. If any member of the police is involved in the support given to any given group, for any given circumstances, you can rest assured he will be turned over to the proper authorities, to the office of the judge advocate, because the chief of police will never allow this.

The fact that some members act on an individual basis against the corps' policy does not mean the corps supports their actions. For example, it was discovered some time ago certain Air Force members, meaning Armed Forces members in active service, were selling weapons to Salvadoran guerrilla groups. They were expelled from the Armed Forces, after which they were imprisoned. They were released later on. That does not mean this is Armed Forces policy.

In this man's case, it is clear he is being manipulated by people who want to use a minor issue to cause a scandal. I have yet to see the evidence but, well, we have competent judicial authorities in case he wants to prove his arguments.

[Reporter] All right. The second question, Gen. Ortega. You say Senator Jesse Helms.... [pauses] I see you think he is the person behind the Senate resolutions issued on

Friday, 23 July. But the resolution is also signed by Edward Kennedy and Christopher Dodd, and they have been faithful friends of Nicaragua so far. They are extreme liberals in the U.S. Senate who have decided to join Helms and adopt a bipartisan and bicameral Senate decision. That is why it is so strong; many people think it will pass the vote and become a reality. How can you explain the fact that Kennedy, Dodd, and Kerry—who have been your friends—decided to join Helms?

[Ortega] No, look, what is clear here is that we are waging a political battle against these conservatives. The resumption of aid to Nicaragua was a thrust of the banderilla at Jesse Helms. Jesse Helms felt defeated and humiliated because aid to Nicaragua was resumed after the titanic efforts he exerted through a campaign of lies, as a result of which the aid had not been resumed. Helms did not rest; now he has thrust a banderilla into his opponent, in this case Nicaragua. He has thrust a banderilla into Nicaragua using a cunning argument and getting smarter people like Christopher Dodd involved in a skillfully handled situation.

I am sure that once he knows the truth.... [pauses] Something good has come of this. The fact that such prominence has been given to this problem about our ties concerning.... [pauses] We have no ties to this, and the culprits can be clearly indentified—not us. This will clearly prove what the truth is because this has created quite an uproar, and the people are closely following developments. I am sure that when our position is known, meaning that we have had nothing to do with that, Helms will be defeated.

I am sure these congressmen, perhaps within their own internal political machinations in the United States, simply decided to join Jesse Helms' cause. Evidently, any action against terrorism can easily win support—perhaps I would have done the same. This is [words indistinct] specific in the United States.

However, this is a far cry from imposing a policy of lies, falsehoods, and destabilization in the U.S. Congress. We must wait. We must wait for the truth to shine through in the United States. The truth is slightly tarnished right now, but I am sure it will be slightly cleaner tomorrow; that truth is ours, that truth belongs to the Nicaraguans. That is why.... [pauses]

In fact, the same arguments used in the proposal and some issues are totally wrong because they state Clinton must certify that no member of the government, Army, police, or security forces is involved in this and that is impossible. It would be tantamount to saying someone must certify that no U.S. Government, DEA, or FBI official can commit a crime. In any case, all that Clinton can certify is that the Nicaraguan Government does not support terrorism, that the Nicaraguan Army does not support terrorism. He cannot prevent some of his officials or some DEA official from becoming involved in drug trafficking or committing a crime in the United States. No one can prevent this. Either something has been confused in translation or the proposal has been poorly prepared.

[Reporter] Gen. Ortega, the issue of your retirement has been brought up again. When will the organization law reach the legislature? Also, President Chamorro said on 29 July that the Sandinists were responsible for lending the territory for the establishment of weapons caches. Do you accept responsibility as you were a member of the previous government?

[Ortega] The main issue here is to ascertain who is directly responsible for the weapons caches. It is clear that the Farabundo Marti People's Liberation Forces [FPL] organization is responsible. We are carrying out an in-depth investigation to see what is behind all the documents—documents provided by the Police and by us, the Army, for the investigation. If we wanted to we could have hidden or burned everything and no one would have been the wiser about the documents, the passports, and the possible kidnappings. All we had to do was make sure nobody knew about it, that there was no publicity. Consequently, the origins are clear: The FPL is responsible for the weapons cache, and they must clearly answer for it.

Referring to your other question, yes, we are currently institutionalizing and establishing the groundwork for the law. We will proceed when the conditions are right for the law to be approved. The law will outline time in active service for each of our posts.

[Reporter] Gen. Ortega, I have two questions. What do you mean when you say that the FPL and other organizations will have to be prepared to face the consequences if another cache is found? That was the first question, now the second: Do you believe the Army has been supplying the Peasant-Workers Revolutionary Front [FROC]?

[Ortega] It is clear that we have never supplied any of those groups. The fact is that thousands of weapons were left in civilian hands, among them thousands of Sandinists, Sandinist supporters, and militia members. We know there are weapons caches. That is how they obtained weapons to rearm these groups. No one is supplying them. If we find that a soldier has been selling weapons, as has happened on occasion, we charge him, dismiss him from the Army, and put him in jail. It happened to an officer in Chinandega.

As for the statement that whoever hides caches, fails to accept responsibility and reveal them, and continues to endanger the citizens' lives, I mean we will enforce the country's laws to put them behind bars and make justice prevail. That is what I mean. We will use all means allowed by law to see that those people really reconsider their position.

[Vargas] Good morning, Radio Noticias, Maritza Vargas. Gen. Ortega, why were negotiations not held in Esteli before inflicting so many civilian deaths? Why did

civilians get killed and resist? When all is said and done, no one compensates the people, the heads of family, especially when children are killed. Why didn't you negotiate? Did the Army attack the rearmed groups because of their vandalism or because they were armed when they entered Esteli? The rearmed groups said they did not want to fight the Army because they used to fight together for the victory of the revolution.

[Ortega] First, these gentlemen did not come to protest. If they wanted to protest, they would have been unarmed. They would have turned their weapons over to the Army and they could have protested all they wanted. That was not the case. These people came to kill. They killed a policeman. We did not shoot at them when they were protesting. We simply made legitimate use of the weapons to restore order, which all Nicaraguans want, including Sandinists and revolutionaries. No one here has closed the door on those fighting for their benefits. If there is no organizational capability here, if there is no ability to persuade others and to mobilize people within a civic arena, that is not our problem.

If someone says there are problems with x or y or with x or y ministry, he has the right to take to the streets. He has the right to protest, just as the students did in protesting the 6 percent tax. Thousands of students protested and negotiated with the government. If four persons, supposedly on behalf of tens of thousands, act violently, that is really no massive struggle. It violates the law and it must be repressed. That is what happened. It was worse in Esteli because these people were armed. They intended to take military action, not peaceful protest. Had it been a peaceful protest, they would have been unarmed.

[Zelaya] Gen. Ortega, this is Edgar Zelaya of Telenica Ocho. Today the Army is fighting those who used to be their fellow soldiers. But various political and economic sectors of the country, both from the Sandinist National Liberation Front [FSLN] and from the UNO [National Opposition Union] have said Nicaragua's crisis is based on the fact that you remain as head of the Army. The country is going through a hard crisis and this could be part of the conditions imposed by the U.S. Government. Aside from the Santa Rosa weapons cache and other conditions established by the U.S. Government, would you be willing to resign from your post if the U.S. Government decides to approve an aid that, perhaps, solves Nicaragua's problems caused by the current crisis?

[Ortega] First, what you propose is an illusion because Nicaragua's problems will not be solved with aid. Nicaragua's problems will be solved when there is peace, when the economy is truly developed, when production is truly developed, when employment is truly generated. In other words, U.S. aid, albeit important, is not essential. The essential thing here is to have production, to reactivate the economy, and to stop depending on others. That is not the solution.

We have neighbors much smaller than we. Yet things are turning out well for them; they are becoming less and less dependent on U.S. aid and are generating billions of dollars based on their own production and economic efforts—within a broader framework of peace.

Consequently, the country's economic situation will not be solved by one person because...[pauses] Well, the time for my retirement will come, but that does not mean it will create a specific set of circumstances here. I think that is a cunning argument. Moreover, we cannot take actions just because of pressure exerted by those abroad. We must do what the Nicaraguan people believe should be done.

[Reporter] Gen. Ortega, as for the weapons caches, can you clearly prove who is responsible? I am not talking about the owner of the caches. Why don't you explain the details of the case? Excuse me, I was talking about the weapons caches. You said authorities could prove who is responsible. We are listening. Why don't you say who they are?

[Ortega] Isn't it clear already? Didn't the FPL say who was responsible? The FPL has already publicly accepted its responsibility for the caches. They clearly explained who the owners of the caches were. There must be an in-depth investigation of this case. It is clear that it was not us.

[Reporter] Do you believe the investigation has already gotten to the bottom of this?

[Ortega] Investigations continue. We asked for foreign assistance before Jesse Helms said anything. People from Mexico, South America, Spain, and even from the FBI have come here. They are contributing to the investigation in Nicaragua. So the FBI participation is nothing new.

[Reporter] Gen. Ortega, I am going to return to a topic that you have already discussed, but I would like you to give me a more thorough response. El Chacal [Jose Angel Talavera] has said they are training Miami-based Cubans on Nicaraguan territory, who could later fight against either the EPS or go to Miami to overthrow the current government [as heard]. Do you have any knowledge of this? If this is true or proven, what attitude will the EPS take?

[Ortega] Well, look, we hope this participation and involvement of Cubans does not continue. It has not been so decisive until now. We have reported it. We have used diplomatic mechanisms. The Foreign Ministry has notified the U.S. State Department, which has already said it will not tolerate this. Therefore, I believe that we should continue using the same mechanisms, meaning diplomatic [eight-second break in reception] get the U.S. Government to really apply strict measures concerning those illegal activities. Within Nicaragua, if we find any Cubans in those groups then we must try to apprehend and expel them. Thank you very much.

Former Recontra Ready for 'Short-Term Guerrilla War'

PA0108231193 Paris AFP in Spanish 1910 GMT 1 Aug 93

[Report by Lidia Hunter]

[Text] El Regadio, Nicaragua, 1 Aug (AFP)—After the bloody takeover of the city of Esteli 10 days ago, armed groups of recontras and recompas are maintaining what appears to be a truce in this northern Nicaragua region, while they are reorganizing to continue to exert pressure on the government for economic and political changes, according to statements made here by rebel leaders on 1 August.

This weekend, the recontra forces (former members of the rearmed Nicaraguan Resistance) were deployed in northern Quilali, 250 km from Managua, while the recompas (demobilized former Sandinist military) remained in homes in El Regadio, 160 km north of Managua.

In Manchones, a neighboring township, Jose Angel Talavera, top leader of the so-called Northern Front 380 (recontra), told AFP that he is thinking "seriously about disarming, but with dignity."

Standing next to a UN vehicle recently captured, the recontra leader warned that if the government does not meet their demands, they will launch a "short-term guerrilla war," for which "we have our own suppliers."

Although El Chacal [Talavera] did not identify the suppliers, Sandinist leaders said they are Cubans who live in Miami.

Agreeing with right-wing politicians in Managua, El Chacal demands that the government of President Violeta Chamorro abolish the army led by General Humberto Ortega, brother of former Sandinist President Daniel Ortega; reform the judicial branch; define the property distribution process; investigate the deaths of former rebels; and assist the war crippled.

El Chacal, a former guerrilla trained in North Carolina, United States, as part of the anti-Sandinist Nicaraguan Resistance in the last decade, said that this "will not be a prolonged war. We are going to struggle as guerrillas and will weaken the economy."

As an example of this decision, he explained that the capture of a UN vehicle is to tell world organizations that "there is no guarantee for them here." He believes, therefore, that they will leave the country.

El Chacal's men, at least 25 of whom are accompanying him, carry Galil, new G-3, and AK-47 rifles and pistols; wear faded military uniforms; sleep on peasant ranches; and eat what the people give them, according to some of them.

El Chacal stated that "there are enough of us to cause the collapse of this government." They have begun to reorganize the former Nicaraguan Resistance members to fight.

At El Regadio, about 100 recompas are regrouping to talk with the government and are still surprised over the unexpected military offensive launched by the army on Esteli.

That attack, which left 45 dead and 98 people wounded, "was a military setback," admitted one of the leaders of the Peasant-Worker Revolutionary Front (FROC), former Lieutenant Abel, who said he was unaware of the whereabouts of the movement's top leader "Pedro El Hondureno" [Victor Manuel Gallego Hernandez].

During the clashes, two leaders were killed and a third is missing. The truth is, admitted Abel, "we were not prepared to resist, we only intended to enter Esteli to exert pressure on the government."

Nevertheless, Abel claims they emerged "politically strengthened, because it gave us the starting point to lead the civic struggle," after they negotiate their disarmament with the authorities.

This struggle will be to "demand that the government review the economic plan. We have begun our struggle, we have no contacts with any political leaders, but we continue as Sandinists," Abel stated.

The recompas, like the recontras, wear tattered military uniforms; carry old AK-47 rifles; and their faces seem to reflect the weariness of several months of armed struggle, which has left no them with no gains, only dead and wounded.

Both groups say they are willing to hold talks with the authorities to stop fighting, but they are inclined to continue their rebellion, practically the same stance they have maintained since they took up arms again over two years ago to demand from the government compliance with aid agreements following their demobilization in 1990.

Since then, hundreds have turned in their rifles, but others refuse to do so and, according to official estimates, about 1,400 men continue their rebellion in the mountains.

Following several attempts to demobilize them, the government announced last week that "tolerance has ended" and the army will mobilize to disarm them by 31 August at the latest.

Chamorro Goes to Houston for Medical Examination

PA3107193693 Panama City ACAN in Spanish 1825 GMT 31 JUL 93

[Text] Managua, 31 Jul (ACAN-EFE)—An official spokesman disclosed that Nicaraguan President Violeta Chamorro left for Houston today for a one-week private visit.

The president left at 1245 (1745 GMT) on a commercial flight. She plans to go to a Houston hospital for a medical checkup and will visit her grandson, Tolentino Barcenas Chamorro, who has cancer and is recovering from a bone marrow operation in Washington.

The spokesman noted that Chamorro has not scheduled any meetings with congressmen or U.S. Government officials to discuss the recent U.S. Senate decision to suspend economic aid to Nicaragua.

On 28 July the U.S. Senate approved the suspension of aid to Nicaragua until President Bill Clinton certifies that no Nicaraguan officials are involved in international terrorism.

Argentina

Di Tella Denies Plan To Pay Islanders To Leave Falklands

PY3107224393 Buenos Aires BUENOS AIRES HERALD in English 31 Jul 93 p 11

[Article by Beatriz Vazquez Goyoaga]

[Text] In a recent talk with foreign reporters on the Malvinas issue, Foreign Minister Guido de Tella heatedly denied having contemplated the proposal of Sir Alan Walters (as printed in the July 28 edition of the HERALD) of considering a $500,000 to $600,000 payment to persuade islanders to leave the country or accept an island referendum on the issue.

"Under no circumstances can we accept a referendum on the issue, and neither can we accept payment for anybody's departure. We do not want anyone to leave and thus will not pay for any departure. First, we must talk about the delicate issue of lifestyle, preservation of legislation, common law and justice."

However, Di Tella also left the payment argument open when he added: "If we talk about economic compensation, the issue can be discussed. This is a single proposal of a very prestigious man, who belonged to the hardline group of Thatcher's advisers, but we have made no advance in the area."

Di Tella pointed out that part of the comprehension gap between Britain and Argentina was because "our problem is related to differences in concepts. Britons have a different vision of the world and of the concept of motherland. When you say 'Vaterland,' you can already see Germans striding around but when you say homeland, a very pretty word, it is a different concept. Homeland is the land of your home."

The minister also thought that the British concept of citizenship did not exist: "You are not a citizen, but a subject, something which would offend any of us because we would not want to be anybody's subject."

"This difference is important," he continued. "I have observed that sovereignty is not the same as soberania. The concepts, of course, have a number of things in common, but in general the British conception is related to people and the Argentine, the Latin or Roman is related to things. And it is important to understand these issues just like the symbolic fact of driving on the left or the right."

Regarding the settlers' wish to remain British Di Tella said: "I have changed my mind in many aspects since my childhood; they can also change. They just don't believe that we do worry about their lifestyle. However, in the last six month we have had 11 contacts—not bad for a group which wants no communication with Argentina at all."

The minister also underlined he understood their fears and apprehension: "I have openly recognized my embarrassment over the way we tried to recover the islands in 1982. This should never have happened. However this took place more that a decade ago. Argentina today is a different country from 1982."

"No arrangement should be made without their approval. We would respect their lifestyle and nobody expects them to drop their lifestyle and take up Argentine citizenship. In Argentina, 17 of the 24 provinces have their own flag. We have a federal system in which each province has its own judicial system; they need not fear our interference in their legal system. Islanders could have a choice of passport and/or nationality—they could have British or Argentine or both, as people in many countries do, or, like foreign residents in Argentina, keep their citizenship. We do not consider this disloyal."

The minister repeatedly stressed the possibility of reaching an agreement similar to numerous islands in Northern Europe, such as Aland, the Channel Islands, the Faroes, or Greenland.

"All these islands have a very special status," said Di Tella. "None of these are firm proposals, nor are we saying it is the same case. They are just similar case histories where people have lived happily in similar circumstances to ours."

In related news, Di Tella continued his round of discussions on the issue yesterday when he met with a group of senators and various opposition parties at a private meeting sponsored by the Argentine Council on Foreign Relations.

Bolivia

President-Elect Interviewed on Chilean Ties

PY3107113093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 31 Jul 93

["Exclusive" interview with Bolivian President-elect Gonzalo Sanchez de Lozada by journalist Bernardo de la Maza in La Paz; date not given—recorded]

[Text] [De la Maza] First of all, I would like to tell you that I would be very pleased to call you Goni, but it would be obviously improper of me to do so, as it is a very affectionate nickname that the Bolivian people have given you...

[Sanchez de Lozada, interrupting] Well, I believe they will continue to call me Goni, and I will not be annoyed at that. It will, rather, make me calmer.

[De la Maza] I hope it will be like that. I will in any case address you as Mr. President. To begin with, I would like to ask you about Chilean-Bolivian relations. For 30 years, two neighboring countries like Bolivia and Chile

have not have diplomatic relations. Well, we had relations for three years in the 1970's, but that was very short. Are you willing, or are you in favor of resuming diplomatic relations with Chile, without preconditions?

[Sanchez de Lozada] Well, I believe this is something.... [pauses] I believe that being very cautious, very specific, and very careful is what is most necessary in this matter. I do not have these characteristics, because I want to be spontaneous and sincere. In this matter involving Chile, we would like to have.... [pauses] to this end we will create a team, a task group, a ministerial team, a group of highly qualified experts, to try to offer creative solutions. If we are not creative in this subject, if we do not overcome this, I believe.... [pauses] that is our obligation. Now, obviously, the lack of relations must be deeply studied and considered. It is a problem that is more emotional than economic or political in nature. We will review it and see what is the best thing to do. A great deal will depend on the other side.

[De la Maza] Mr. President, let us now address specifically Bolivian matters. You said a key objetive of your government will be to fight poverty, yet at the same time you said you will enforce a market economy. Don't you think this policy will impose on the have-nots a social cost that is too heavy and prolonged?

[Sanchez de Lozada] I don't believe that a market economy burdens the have-nots. I believe that the have-nots are harmed by a stagnant economy, with inflation, social injustice, monopolies, and mercantilism. This is how we are now, and we do not want to continue like this. Consequently, I believe we are on our way to passing from being a country of problems, a country of tragedy, to being a country of miracles. People need social justice, and we have to enforce it. In addition to being very poor—I always say that even the rich are poor in Bolivia—there is a very great gap between the few who have and the many who do not have.

[De la Maza] You are a millionaire. Can you—as a Latin American president one time put it—emphasize that despite this you can assure people that you will not be defeated by the temptation of corruption?

[Sanchez de Lozada] Well, I want to explain that political life has made me stop being a millionaire, because politics is expensive. But it is undeniable that a person who does have economic resources and who has a sound, strong economic position does not feel tempted by corruption. I believe the important thing in a society is to try to eliminate the causes of corruption. It is also necessary to pick up very honest people, who are habitually honest even if they are not rich.

[De la Maza] I would now like to address the drug issue, which is imperative in this type of interview, right? Do you think, like many other Bolivian authorities, that the drug issue is mainly a problem of consuming countries, rather than a problem of producing countries?

[Sanchez de Lozada] Unfortunately, the drug issue is a problem of producing countries, because problems and dangers are here. In the past we said, well, this is a problem of developed countries. If they want to consume it, we will sell it to them. Yet things have now changed. We already know it is our problem, because our children, our youths are beginning to consume drugs, even at a popular level, because if it is the upper classes, well, they can afford it.

[De la Maza] Now, Chile has unfortunately become a corridor for drugs after the passes to Colombia were closed. Do you believe our two countries should closely cooperate in this area?

[Sanchez de Lozada] Our cooperation must be very close. This issue is of very high priority.

[De la Maza] Let us now talk about your government's foreign policy. Bolivian history is full of serious political instability problems. If by any chance your government at a certain moment had to go through a really difficult situation, would you be willing to resort to a self-coup in the Fujimori style?

[Sanchez de Lozada] At no time.

[De la Maza] Do you agree with a statement by President Paz Zamora, who is practically an ex-president, that the consolidation of the Peruvian port of Ilo will so strongly affect Arica, Iquique, and Antofagasta that Chile will be forced, quote, to knock at Bolivia's doors, unquote, to solve the maritime problem?

[Sanchez de Lozada] I don't think so. I do not believe the solution will be so simple. I believe we need all Pacific ports, we need access to all countries, and I believe that no country, including Bolivia—the poorest South American country—will kneel down to any other country.

[De la Maza] Paz Zamora also said that as of recently, Chilean foreign policy toward Bolivia had been indolent, stone age, and retrograde. Do you agree with this opinion?

[Sanchez de Lozada] You have to ask this question of Jaime Paz Zamora. I cannot reply on something that he did or did not say. I believe the role of someone who governs is to build the future, rather than writing history...

[De la Maza, interrupting] Yet an important understanding had been recently achieved, and there had been a rapprochement...

[Sanchez de Lozada, interrupting] I believe that...

[De la Maza, continuing] Do you agree with that?

[Sanchez de Lozada] Yes, I believe it is necessary to begin with a strong rapprochement. There must be rapprochement in many areas without expecting that this will reduce or erase existing problems. I believe it is positive, on both sides, to look at our relations without

preconditions. One of the serious problems that does not allow me to properly answer your question is that the government has made a big mistake. I know diplomacy must be managed with much discretion and in a very confidential manner. The government has never openly disclosed to people the course it was following. Our policy with Chile will probably be designed by the entire people. We will make people become involved, we will debate it, and we will try to prepare ourselves emotionally, intellectually, and morally, so that we may responsibly design solutions with imagination, feeling very sure and very calm; and having much affection and fraternity.

[De la Maza] You have many times spent your vacations in Chile, specifically in Pucon. If President Aylwin ever invites you to visit La Moneda Palace, would you go?

[Sanchez de Lozada] Well, it depends on the occasion and on the moment. I believe that surprising things can happen when two men sit down to listen and talk in a very informal, frank environment about things that they want to achieve.

[De la Maza] Mr. President, you have a Chilean grandson. What does that mean to you?

[Sanchez de Lozada] A reason for joy, because all grandsons are reasons for joy. A double joy, because this shows that in life, ideas and problems cannot be stronger than feelings.

'Hyperinflation' Biggest Concern

PY0108025493 Madrid EFE in Spanish 1943 GMT 31 Jul 93

[Text] La Paz, 31 Jul (EFE)—Bolivian President-elect Gonzalo Sanchez de Lozada today noted that he is "somewhat scared," but determined to overcome "hyperinflation" in his country, revive the national economy, fight poverty, and govern for all Bolivians.

In a news conference six days before his inauguration as president of the Republic, Sanchez de Lozada said Bolivia's "hyperinflation" after Jaime Paz Zamora's four-year administration represents his greatest concern.

Bolivia's president-elect criticized Paz Zamora's "tolerance" of corruption, but refused to specify any measures his future administration might take to struggle against this malady, except for the creation of a Justice Ministry, thus far nonexistent.

Sanchez de Lozada noted: "The only thing we can do is appoint honest people in the next administration and club corrupt people."

Concerning his country's economic situation, Sanchez de Lozada said: "We are not concerned about it and we do not foresee an important adjustment." He stressed: "We will not cope with a crisis, but with a huge fiscal deficit."

Sanchez de Lozada also noted that he does not have an accurate idea of the Bolivian state's real economic soundness because the current administration did not supply "honest" information to him during the current transition process.

Anyway, Sanchez de Lozada trusts in his economic program to such a point that he stressed that within the next four years Bolivia will be able to build a gas pipeline with its own funds that will link Bolivia with the [Brazilian] city of Sao Paulo in order to comply with a gas sales contract the two countries signed this year.

The future Bolivian Government's economic program is based on "the capitalization and not privatization" of the large public enterprises through the entry of foreign capital and the participation of the people.

Sanchez de Lozada said that in his recent tours of the United States and Europe he has grasped investors' interest in Bolivia. He added, however, that, if foreign capital does not arrive, "the only thing left is for us to plunge into the river."

Before his presidential inauguration on 6 August, Sanchez de Lozada will meet for the only time with Paz Zamora on 4 August. The president-elect predicted that the meeting will have "substantial" content.

Sanchez de Lozada said he hopes that during the meeting Paz Zamora will, among other issues, explain why he decided to describe Chile as an "adversary, stone-age, and backward" country during his last days as president. "Maybe that day he simply got out of bed disgusted," Sanchez de Lozada added.

The president-elect said he has always "openly" supported a rapprochement between La Paz and Santiago. Nevertheless, he humorously described Chile as "the black sheep" of the family that Bolivia wants to raise with its neighbors. Sanchez de Lozada avoided responding on when diplomatic relations between the two governments might be restored.

Concerning a project to use an industrial, tourist, and free trade zone—as well as a 5-km long beach—in the Peruvian town of Ilo, which Alberto Fujimori's administration has granted to Paz Zamora's administration, Sanchez de Lozada said his administration will have to study it seriously because it might "just be fanciful and unrealistic."

Nevertheless, Sanchez de Lozada emphasized his interest in maintaining the close ties existing between Bolivia and Peru at all levels.

The future Bolivian president, however, described Argentina and Brazil as "priority" nations for Bolivia's foreign relations because of the trade agreements reached with them, especially those involving gas sales to these neighboring nations.

Sanchez de Lozada is the leader of the Nationalist Revolutionary Movement (MNR) that won the general elections on 6 June. In Congress next week, he will be elected president of the Republic through his party's, the

populist Solidarity Civic Union's (UCS), and the leftist Free Bolivia Movement's (MBL) votes following a government alliance formed by these three political parties.

Government Denies Arms Smuggling to Croatia

PY3007170693 La Paz Television Nacional Network in Spanish 0100 GMT 30 Jul 93

[Text] The government has, through the Information Ministry, asked the Buenos Aires newspaper CLARIN to explain a report on the alleged smuggling of arms to Croatia by Bolivia.

Artillery weapons have always been considered strategic. Here we can see the use of artillery during the Persian Gulf war [video shows firing cannons, missile launchers], just before the allied invasion of Kuwait.

Bolivia has received Chinese-made artillery units for the first time in many years. The Argentine newspaper has, however, fabricated a sinister story about the cannons received by Bolivia. The newspaper said Bolivia received Russian-made cannons bound for Croatia. Interior Minister Carlos Saavedra has denied the report.

[Begin Saavedra recording] It is not true. It is totally foolish that newspapers—I am not referring to Bolivian newspapers—should speculate about arms trafficking in the case of weapons that were officially delivered, like those delivered by the president. It is very easy to prove this. We only have to ask the Chinese delegation in our country if the respective certificates exist, if the respective letters of credit were opened, if a donation has been made, and if the weapons' numbers and brands match the weapons exported. [end recording]

The minister told reporters that the government has already sent a note to CLARIN to clarify this situation.

[Begin Saavedra recording, in progress] ...or give the impression that after we overcame a problem like drug trafficking—which we have already overcome—this poor country should begin engaging in arms trafficking, (?as it was done) in the past. The government, through the information minister, has sent an official note to the Buenos Aires newspaper CLARIN formally complaining about this irresponsible report. [end recording]

The story is as follows: Weapons leave Russia in a Chinese cargo ship. Weapons arrive in Rosario, in Argentina. They are then sent to Bolivia by train, from where they will be supposedly sent to Croatia. What CLARIN failed to say is that among the Bolivian generals there surely is a Croatian who wants more ethnical purity among Muslims and among the Bosnia people. Had the story not been so absurd it would have been very funny.

The strongly-worded letter, which Information Minister Jose Luis Lupo sent to CLARIN, in which he asks for clarification of the report that Bolivia is involved in arms trafficking, reads:

We deeply lament the need for this letter in which we strongly urge you—the letter is addressed to the director—to rectify a report by journalist Rogelio Garcia Lupo published by your prestigious morning newspaper. The journalist, without any evidence other than the one produced by his own imagination, accuses the Bolivian Government of having issued final destination certificates for transporting arms, supposedly of Soviet origin, to Croatia. In the face of this totally groundless report, it is necessary to make it clear that the purchase of Chinese arms by the Bolivian Government was performed with total transparency and within the law following an official visit by President Jaime Paz Zamora to the PRC in May 1992.

Brazil

Franco Hints at 'Mini-Cabinet Reshuffle' To Boost Support

PY3107221493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jul 93 Section 1 p 5

[Article by Tales Faria from Brasilia]

[Text] President Itamar Franco told government-supporting ministers and leaders, with whom he met yesterday at Planalto Palace, that he intends to resume "his political initiative" right after making a decision on the salary policy. According to the president, discussions about the reorganization of the progovernment base in Congress will be the most important item on his political agenda. He even hinted at the possibility of effecting what he termed a "mini-cabinet reshuffle."

Two parties will have secured portfolios within the cabinet when this mini-cabinet reshuffle is carried out—the PMDB [Brazilian Democratic Movement Party] and the PP [Popular Party]. Franco means to give the PMDB a "prominent" part in the government's political coordination, but without forgoing his post as coordinator. PMDB members have great expectation of being offered the post of justice minister, as the current minister, Mauricio Correa, would be ready to leave.

The trouble is that there is a probable nonpartisan candidate for the post of justice minister—Judge Odir Porto from the Sao Paulo Court of Appeals, who has the support of Jose de Castro Ferreira,—Telerj [Rio de Janeiro Telephone Company] chairman and Franco's bosom buddy, Globo Inc. Chairman Roberto Marinho, and even Sao Paulo Governor Luiz Antonio Fleury Filho.

There are, however, other possible options, including the Foreign Relations Ministry, as Jose Aparecido de Oliveira has not been installed yet, and the Ministry of Culture, as current minister Antonio Houaiss may be appointed Brazilian representative to UNESCO, a post already offered to him during the last cabinet reshuffle.

The PP may, however, keep any of the aforementioned posts inasmuch as it has to choose first. But before that, Franco intends to wrest from the party an official answer about its willingness to support the government in Congress.

Franco further said to his aides that he also wants to have a "personal talk" with former President Jose Sarney [PMDB senator, Amara State]. The president believes the decision of Sarney's faction in Congress about whether it will support the government or not is of paramount importance for defining his new political base in Congress.

Cardoso Reacts to Remarks by Government Bloc Leaders

PY3107164593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jul 93 Economy Section p 3

[Article by Ribamar Oliveira]

[Text] Brasilia—Finance Minister Fernando Henrique Cardoso has reacted with irritation to remarks attributed to government leader in the Chamber of Deputies Roberto Freire (PPS-PE) [People's Socialist Party-Pernambuco], that the presidential veto of the salary law will be defeated in congress. Early yesterday morning, on learning about Freire's remarks that Congress will probably reject the veto to the monthly salary readjustment according to 100 percent of the monthly inflation rate, Cardoso phoned President Itamar Franco. The finance minister told the president that it was impossible to continue heading the economy without unity in government actions and speeches.

The finance minister's indirect resignation threat led President Franco to immediately call leader Roberto Freire to demand an explanation of his remarks. Freire, who spent almost all of Monday night talking with Cardoso and the economic team to establish the government proposal for the meeting on the salary policy, found the finance minister's reaction very strange. He said that he would phone Cardoso immediately.

In the telephone conversation with the minister, the government leader explained that the prediction he made on the possible defeat of the government veto was out of context, because this possibility would exist only if there was no agreement about a new salary policy or if the government did not submit another proposal. He added that some of his published remarks were made before the latest round of negotiations.

But Cardoso was not irritated only with Freire, according to sources in the economic area. The finance minister also did not like the remarks attributed to government leader in the Senate Pedro Simon (PMDB-RS) [Brazilian Democratic Movement Party-Rio Grande do Sul], that the time for an agreement on the salary issue has passed. According to an interview granted by Simon on Tuesday, the ideal thing would be to negotiate the salaries before the voting in the Chamber of Deputies and in the Senate, an idea that the government leaders in both chambers tried unsuccessfully to develop.

The fire was finally put out during a meeting yesterday afternoon at the finance minister's office. The meeting was attended by leaders Roberto Freire, Pedro Simon, PMDB leader in the Chamber of Deputies Genebaldo Correa (Bahia), PMDB President Jose Fogaca (RS), Social Security Minister Antonio Britto, and Labor Minister Walter Barelli.

Although none of the participants referred to the incident between Freire and Cardoso, the meeting was viewed in the political and economic areas as an attempt to smooth the rough edges and to seek unity in speeches and actions, demanded by Cardoso to President Itamar Franco.

Even the PMDB position was considered ambiguous, because the day before, Senator Jose Fogaca made it clear that no national understanding would be possible without a government political coordinator.

Head of Economic Mission Leaves 'Unwillingly' for IMF Talks

PY3007224293 Sao Paulo VEJA in Portuguese 26 Jul 93 p 79

[Text] As likely as not Economic Policy Secretary Winston Fritsch left for Washington on 23 July quite unwillingly. Owing to the post he holds in Brasilia, he has been entrusted with the task of heading the Brazilian mission that is seeking to resume negotiations with the International Monetary Fund, the IMF. The previous finance minister—Eliseu Resende—arrived at the IMF in Washington empty-handed. Fritsch kicked up a fuss about the trip, and up until the very last moment before leaving for Washington was still trying to ditch the task. Fritsch believes that the mission is unnecessary, and therefore tried to send an adviser in his place. Experts from the economic team were at their wits' end worrying about Fritsch's obduracy—so much so that they made a study, which ended up not being submitted, meant solely to convince him that it was of utmost importance to reach an agreement with the IMF. This argument managed to bring Fritsch around, and he finally left for Washington. Incidentally, five weeks ago Fritsch vied for the chair of economics at Rio de Janeiro Federal University, and lost it to economist Reinaldo Goncalves, who is little known outside university circles.

Fritsch believes that negotiations for the rescheduling of Brazil's external debt are on the right track, and that it is possible to work out an agreement with or without the support of the IMF. He contends that what banks want is to get their money back. Advisers to the Finance Ministry informed him that private creditor banks are willing to reschedule Brazil's debt, but they want the IMF to approve the rescheduling agreement. Only with the okay of the IMF would Brazil be fully entitled to receive fresh money. Within the international financial community, the IMF plays the role of a sort of auditor.

An agreement with the IMF would be tantamount to a backing for Brazil's economic policy by such organization, and an acknowledgement that the country is once again creditworthy.

* Retired Military Debate Coup Possibilities

93SM0366A Sao Paulo VEJA in Portuguese 14 Jul 93 pp 28-29

[Article by Expedito Filho and Paulo Moreira Leite: "Jurassic Barracks"]

[Text] *With their canes and white hair, the pajama-clad dinosaurs of 1964 are uniting in favor of a military coup.*

There is great agitation in the Brazilian military's Jurassic Park. The hair that remains has turned white, difficulty in walking is even forcing some to rely on canes, and their aim is not what it used to be. But by fits and starts, the veterans of the 1964 coup and AI [Institutional Act] No. 5 have returned. They love talking about Peru's dictator, Alberto Fujimori. They venerate former President Castello Branco like a saint in a Nativity scene. They rail at politicians, point to Luis Inacio Lula da Silva's PT [Workers Party] as being a new Red peril, and even say that Minister of Finance Fernando Henrique Cardoso may end up "socializing Brazil."

There are some big names in the ranks of the pajama-clad dinosaurs. One is General Rubens Restell, the principal figure in the military-FIESP [Sao Paulo State Federation of Industries] connection in 1964. Another member of the crew is General Nilton Cerqueira, currently president of the Military Club, who commanded the operation that executed guerrilla Captain Carlos Lamarca. Still another is General Torres de Mello, the man responsible for the arrest of hundreds of students who were trying to reestablish the UNE [National Union of Students]. A candidate for mayor of Fortaleza in 1988, he was unable to win the support even of relatives and friends. Scheming is the favorite activity of these tyrannosaurs.

They are not feared, because nobody goes to war dressed in pajamas, they have no control whatever over the troops, and they have no support of any kind from the top political leader of the Brazilian Army today, former President Ernesto Geisel. But they are a nuisance. So much so that their behavior is a frequent topic in President Itamar Franco's conversations with the military commanders. Two weeks ago, Itamar felt it necessary, during an interview on the Manchete Network, to warn of the possibility of military intervention. "As long as I am sitting in the president's chair, I will not permit a coup d'etat," Itamar said. Former Minister of Justice Armando Falcao, a hardened camp follower in military circles, currently spends his free time talking politics. He has been talking to former President Joao Figueiredo. He recently met with two generals on active duty: Bayma Denis, commanding officer of the East Military Command, and Minister of Army Zenildo Lucena. According to Falcao, concerns about the institutions are a frequent topic in those conversations. "Something is in the air—a kind of itch—but we are not in the midst of any scheming or plotting," says that liberticide. "The future belongs to God. But today there is a precoup atmosphere."

Silvio Santos: Perhaps that is why there are moments when the agitation of the pajama-clad takes on the appearance of one of Silvio Santos' audience-participation programs. Last Thursday, for example, 70 of them met in a big house on 9 July Street in Sao Paulo. The purpose of the meeting was to start a group known as the Bandeiras—the Sao Paulo version of a dozen other groups being formed in 10 of the country's states with a total, according to their members, of 500 pajama-clad dinosaurs. Alerted to the presence of reporters, they improvised a show for the press. Standing at the head of the group's leaders, General Antonio Ferreira Marques, proud of being an anticommunist "since 1935," when he was 17 years old, delivered a short speech in which he recalled his participation in the 1964 coup. He said that on one occasion he had participated in a foray by military officers to request Marshal Castello Branco's support in overthrowing Joao Goulart and that they had received this admonition in response: "If you want a dictator, you have come knocking at the wrong door."

"The revolution, as you can see, made its mistakes," the general continued. "What did we want at that time?" he asked, and then waited in a strategic pause until someone in the audience led a chorus of raucous voices: "A dictator, a dictatorship." Looking the reporters and photographers in attendance, the general said mockingly: "I am not going to say what I wanted, otherwise I would leave here a prisoner." And that is how the dinosaurs conspire. Through hints and indirect references—by talking about the past when everyone knows they are talking about the present. They almost never say what they want, but anybody can tell what they would like to achieve. Some of them are willing to talk frankly and directly. Gen. Restell, for example. Listen to his opinion of Itamar Franco:

"If Itamar were a courageous politician, he would close Congress and appoint a committee of experts to draw up a new Constitution. From the look of things, he is not going to."

We asked: "Do you feel that Itamar should do like Fujimori?"

"Yes. And he would become very popular and help the country."

We said: "But Itamar is not Fujimori. What will happen?"

"There will be a rupture."

"A coup?"

"Yes. Like in 1964. Except that it will not be a military coup. It will be a coup in response to the civilian outcry."

"Does this movement of military men intend to carry out a coup?"

"No. We are watching the situation with concern. We express our opinions within the law. But only a novice in political matters does not realize that the situation may change."

Privileges: Another outspoken general is Torres de Mello. He is also more practical. Three years ago, he established a group called Guararapes in Ceara. It consisted of 17 reserve officers. Now there are 58. Torres de Mello says that "the nation wants honorable men in power. Society will have to undertake some surgery. We are looking for a Brazilian, civilian or not, who will put the house in order. He can be a doctor, a professor, or a military man. We need a chief—a leader who will say: 'That is enough now, no more talk.'" The general can even imagine what the new government's first decree will be: a provisional measure abolishing the privileges of the politicians and members of the judiciary. "The government should issue that provisional measure. If Congress does not approve it, we should close Congress, intervene in the judiciary, and so on," he says.

Gen. Torres de Mello has not yet found "a chief—a leader," but Jurassic Park is temporarily in the hands of a "coordinator." He is General Euclydes Figueiredo, a brother of the former president of the same surname. He was the third choice. The first choice was General Sebastiao Ramos de Castro, a former Tyrannosaurus rex in the intelligence area. Castro declined. Another possibility was brontosaurus Nilton Cerqueira. Fearful of mixing his legal job—the Military Club—with the illegal work of conspiracy, Cerqueira has remained outside the movement, but he gives it logistic support. He made a room available to Gen. Euclydes for coordinating the herd of pajama wearers at the Military Club. In conversations, Cerqueira even talks about his favorite kind of coup. For example, he opposes a solution like Fujimori's. "That would mean concentrating too much power in the hands of one person. Nobody over there knows what is happening. Even I could be arrested. A military regime would be the best thing."

Gen. Euclydes makes other surmises as well.

We asked: "Do you think it is possible for a coup to occur now?"

"No. Not yet."

"Why?"

"There are several reasons. And everything will depend on Fernando Henrique. If he is unable to straighten out the economy, the confusion will increase, and there may be chaos. The government will have no way of resolving the situation, and the Armed Forces may be led to intervene."

"Do you mean that if Fernando Henrique is successful, there will not be a coup?"

"But there is also the danger that the country will be socialized with Fernando Henrique's possible victory in the presidential election."

For the beasts in Jurassic Park, military mutiny is an obsession. There may be a coup if Fernando Henrique fails, and there may also be one if he succeeds. In short, if he does it, there will be a coup. If not, a way will be found. They spurn Captain/Deputy Jair Bolsonaro, who has been calling publicly for the closing of Congress and is in danger of being prosecuted for doing so, but they are hoping to see that matchstick turn into a fire. In Brasilia, Minister of Army Zenildo Lucena is keeping a close watch on the pajama movements. Gen. Zenildo is acquainted with many dinosaurs from prehistoric times. One of them was an assistant instructor under whom he studied when he was a cadet. The minister of Army has the respect for them that one reserves for one's elders. It is not reverence, and it often reminds one of the deference shown to an uncle who was greatly loved in the past but who has gotten a little crazy in his old age. "I know those people, and many of them deserve my respect because they are idealists, and I am sure they are concerned about the country's fate," Gen. Zenildo says. "So far, everything they have done has been within the law." The minister of Army considers it necessary, however, to make one thing very clear. "As long as things stay that way, there is nothing to be done. But as soon as there is an attempt to break the Army chain of command among personnel on active duty, the situation will be different. It is I who am in command of the Army." As far as Gen. Zenildo is concerned, dinosaurs are resurrected only in the movies.

Chile

Paz Zamora Says Remarks Not Intended To Offend Chile

PY3107153593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 31 Jul 93

[Text] The issue of Bolivia and its relations with Chile continues to be in the headlines. Today Bolivian President Jaime Paz Zamora said his recent remarks were not intended to offend Chilean authorities. Paz made these remarks at the Peruvian port of Ilo, where he and Peruvian President Alberto Fujimori signed an agreement on the use of the sea coast. The following report is from our special correspondents in Peru:

This is Ilo, a port of 60,000 inhabitants situated 200 km north of Arica. For Bolivians, Ilo represents their yearned for sea outlet, a sea coast they lost in the Pacific war. The concession was established in January 1992 when Presidents Fujimori and Paz signed a peace and cooperation agreement. Today the two presidents met in this city, amid strict security measures and great expectations by reporters, to materialize the initiative. Peru handed to Bolivia 162 hectares in the Ilo free trade zone besides certain benefits in the port facilities.

This is the monument to Bolivian-Peruvian friendship [reporter shows monument]. It is located in Boliviamar, a piece of land five km long and 450 meters wide that Peru handed to Bolivia as a concession until the year 2091.

During the ceremony the presidents insisted on the issue of integration, but the Bolivian president's remarks characterizing the Chilean Government as indolent and with a retrograde and stone age position hung in the air.

[Begin Fujimori recording] The brotherhood among Latin American peoples is very deep and cannot be affected in any way. [end recording]

President Paz Zamora celebrated Bolivia's return to the Pacific Ocean by stepping into the water.

[Begin recording] [Unidentified reporter] Mr. President, do you continue to think the same things about the Chilean Government? Or have you reconsidered the statements you made last week?

[Paz Zamora] No, but this is not the point. I think...[changes thought]. The only thing I said was the truth about the Bolivian people without trying to offend anyone. I think this is the way it must be interpreted and not in any other way. In any case I sharply said here that this process of integration is not against anyone. It is for all, for everyone's benefit. [end recording]

We conducted this interview with Bolivian President Jaime Paz Zamora here, by the ocean. Paz will hand over the presidency to Gonzalo Sanchez de Lozada next week.

President Aylwin, Senator, Regret U.S. Decision

PY3107154593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 31 Jul 93

[Text] President Patricio Aylwin also regrets the U.S. decision to reject the Chilean proposal to solve the case of the poisoned grapes through the Bryan Commission. Aylwin added that in accordance with the treaty's terms, the government opted to accept the U.S. counterproposal to create a bilateral commission instead of unilaterally convening the Bryan-Suarez-Mujica Treaty.

The Exporters Association and the president of the Chamber of Deputies Foreign Relations Committee made more acid comments about the U.S. decision.

Deputy Jorge Pizarro met with Foreign Minister Enrique Silva Cimma this morning to learn more about the U.S. refusal to accept Chile's proposal. Pizarro said that all investigations were conclusive regarding the fact that the grapes were not poisoned in Chile. Pizarro said the bilateral commission, which will be made up of eight experts—four for each country, should arrive at the conclusion that the responsibility belongs to the United States.

Pizarro said the U.S. refusal to accept Chile's invitation to convene the Bryan Commission establishes a very bad precedent.

[Begin recording] It would be a very serious mistake if the U.S. attitude, every time countries like ours propose that the United States assume its responsibilities, is one of rejection, evasion, or refusal to face up to the problem or solve its conflicts with smaller countries. We obviously do not like the U.S. attitude at all. [end recording]

On 3 August, after the foreign minister reports to the Foreign Affairs Committee, the Chamber of Deputies will issue a draft resolution on the U.S. decision. Deputy Jorge Pizarro said that this position will be much harsher than the one expounded by the government.

Exporters also rejected the decision, as was to be expected.

[Begin Exporters Association President Ronald Bown recording] We obviously reject the decision. We think there is no reason to refuse to analyze the situation at this level unless they feel guilty about it. [end recording]

Aylwin Assesses Talks With Military; To Address Nation 3 Aug

PY3107024493 Santiago Radio Cooperativa Network in Spanish 2300 GMT 30 Jul 93

[Text] On 3 August President Patricio Aylwin will inform the country about his decisions on speeding up the trials on human right violations. This announcement was made by Enrique Correa, minister secretary general of government, this afternoon:

[Begin recording] I can inform you definitely that the president of the Republic will address the nation on 3 August through a voluntary radio and television network. We have contacted television channels, and have agreed with them to air the speech at 2100. [end recording]

We must recall that the president today finished his round of talks with military institutional commanders. Today the president met with high-ranking Carabineros chiefs. The meetings with the Army, the Navy, and the Air Force were frank. The president told journalists that he held exhaustive discussions on the issue of civilian-military relations as well as on the specific issue of human right violations, the criteria guiding his actions in this matter, and the possible solutions.

Aylwin recalled that he answered many questions about those topics as well as other topics on the activity of the armed institutions. I am pleased with the meetings, Aylwin said. My purpose is to let the people know the path I have chosen and the measures I will implement in seeking to solve the problem.

The president explored with reporters one of the things he had proposed during his meetings with military chiefs: the suitability of creating mechanisms for more

fluid relations between the Executive Branch and the Armed Forces commanders, so as to prevent the lack of communication that apparently exists. The president said that the problem was complex, because the Armed Forces are by nature professional, disciplined, and they do not deliberate, and must abstain from intervening in politics. The meetings that the head of state, who is a politician, is holding with them could give rise to distrust, or to the suspicion that the president is trying to use them for political purposes. This is why the matter is quite complex.

The president said that we must seek institutional paths apart from the National Security Council, which has great connotations of crisis and danger and gives the impression that something serious is happening every time it is convened, creating a climate of concern. We must seek a smoother path. I think it is important for future presidents to organize meetings like the ones I just had at least once a year, because I believe they are positive.

Lastly, something that always concerns the press: his meetings with General Augusto Pinochet. Aylwin said he did not think it was necessary to have another meeting with Gen. Pinochet for the time being.

Candidate Frei Notes Need To Sign Trade Agreement With U.S.

PY0108030093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 1 Aug 93

[Excerpts] PPD [Coalition of Parties for Democracy] presidential candidate Eduardo Frei said that the U.S. decision of not resorting to the Bryan Commission to solve the poisoned grapes case shows the need for expediting the signature of a free trade treaty with the United States.

Senator Frei today closed a tour through the northern region of the country.

[Begin recording] [passage omitted] [Reporter Jose Miguel Alfaro] Asked about the U.S. decision not to resort to the Bryan Commission to solve the case of the poisoned grapes, Frei said:

[Frei] This shows the imperious need to expeditiously achieve a free trade agreement with the United States. I believe this is of fundamental importance to achieve a long-term strategy and to solve this or other issues that inevitably will come up in international trade transactions because it will be very difficult for small countries to compete against large country blocs.

In view of this, integration and the achievement of commercial agreements with the United Sates and NAFTA [North American Free Trade Agreement] are an absolute priority for Chile in the future. [passage omitted] [end recording]

Colombia

President Gaviria Cautions UN Security Council

PA3007152093 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1222 GMT 27 Jul 93

[Report by Carlos Wood]

[Text] President Cesar Gaviria on the morning of 27 July met with [words indistinct] parliamentarians who make up the political parties' subcommittee for Latin American affairs.

President Gaviria has been notably caustic toward the UN Security Council. He has said that this organization cannot become the world's top authority or meddle in every single matter of every country. He said that for the Security Council to have the authority to intervene in every matter that occurs anywhere in the world whenever it decides to do so, the Council must first open its doors and include representatives of all the regions of the world. President Gaviria noted that the Security Council includes some countries but excludes others that are interested in world matters.

President Gaviria has criticized the UN Security Council and the OAS. He said that the OAS has become a very deficient organization, and noted that evidence of this is that in the recent past the Latin American countries created the Contadora Group to try to find a solution to the problem of violence in Central America.

President Gaviria also criticized the EEC because of the restrictions it has placed on banana imports, something that is negatively affecting Colombia's banana production.

President Gaviria said he trusts that soon there will be an agreement at GATT to allow free trade among all the countries of the world. President Gaviria also referred to Colombia's economy and to the political and economic reforms Colombia has carried out in the past three years. He said that Colombia is a new country that hopes that the international community will support it so that it may produce a better standard of living for the Colombians.

President Gaviria answered questions from the members of the political parties' Subcommittee for Latin America at the [words indistinct] Palace [words indistinct] at this moment with representatives of British Petroleum and of other companies interested in investing in Colombia.

Government Denies Embassy Target of Caracas Attack

PA3007214593 Paris AFP in Spanish 2025 GMT 30 Jul 93

[Text] Santa Fe de Bogota, 30 Jul (AFP)—The Colombian Government denied on 30 July that the explosion of

a bomb near the site of the Colombian Embassy in Caracas was aimed at its diplomatic mission in Venezuela.

The Colombian Foreign Ministry reported that Colombian Ambassador to Venezuela Rodrigo Pardo informed the Foreign Ministry of the incident, adding that it was not an attack on the Colombian Embassy but an indiscriminate terrorist action.

Pardo said the Venezuelan authorities had heightened surveillance around the Embassy and explained that in the past few hours several explosions have been reported in various areas of Caracas.

The Colombian ambassador added that there were no casualties but there was some property damage.

Ecuador

President Duran-Ballen Praises Relations With Peru

PA3007133293 Quito Voz de los Andes in Spanish 1200 GMT 29 Jul 93

[Text] President Sixto Duran-Ballen praised the talks between Ecuador and Peru and stated that both countries now have the will for unity and understanding. Duran-Ballen invoked the principles of brotherhood and familiarity that should always exist between the two nations to be able to reach an agreement that is satisfactory to both sides. The Ecuadoran president sent a congratulatory message to his colleague Alberto Fujimori on the occasion of another anniversary of Peru's independence.

Defense Ministry Signs Human Rights Defense Program

PA3107225093 Quito Cadena Ecuador Radio in Spanish 2300 GMT 28 Jul 93

[Excerpt] The Latin American Associations for Human Rights and the Defense Ministry signed an agreement to develop a human rights protection program for the Ecuadoran Armed Forces. It is an unusual agreement, but it was extensively thought out. The Armed Forces have the duty to respect their fellow citizens, but a need exists to work hard to strengthen human rights awareness among members of the institution, according to Defense Minister Jose Gallardo. The defense minister said that each member of the Armed Forces should have strong spiritual and moral values when conducting his daily mission of preserving peace and order and should respect citizens' rights from the bottom of his conscience.

The defense minister said that the institution is trying to implement change internally, but thanks to cooperation by all organizations, it will be able to strengthen its conscience. All societies require reflection, according to Gallardo, but it must be applied in a practical manner and according to available resources. [passage omitted]

Paraguay

Defense Minister Rebuked by Rodriguez; Stands His Ground

PY3007185193 Asuncion NOTICIAS in Spanish 30 Jul 93 p 2

[Text] President Andres Rodriguez severely rebuked Defense Minister General Eumelio Bernal, retired, on 29 July for expressing his disagreement with the Armed Forces Organization Law, which is currently encountering objections in Congress where the possibility of abrogating the law is now being debated. This occurred during a military ceremony at the 1st Infantry Division headquarters.

During the toast at the conclusion of the ceremony at which General Marino Gonzalez, commander of the 2d Army Corps, was given the Medal of Acknowledgement, Rodriguez took Bernal aside and rebuked him for having made remarks against the institutional position of the Armed Forces in his role as defense minister. Bernal stood his ground and told the commander in chief that he had his opinion on the matter and that it would not change despite the stance of one sector of the military.

Rodriguez Indicates Possible Changes in Armed Forces

PY3007193293 Asuncion ABC COLOR in Spanish 30 Jul 93 p 4

[Text] It has been repeatedly observed in Cavalry and Navy circles that high-ranking officers of the so-called institutionalist faction will be retired as soon as Juan Carlos Wasmosy assumes the presidency. These military men say there is a plan to reinforce the image of [1st Corps Commander] General Lino Cesar Oviedo, seeking to catapult him to the forefront of a new hierarchy of generals within the Armed Forces. The president, consulted on this, answered: "That is pure gossip."

"That is gossip, pure gossip," said Gen. Rodriguez when asked about rumors circulating within military circles of the possible retirement of the Armed Forces officers called institutionalists.

According to details provided by officers based in Campo Grande [1st Corps and 1st Cavalry Division] and on the banks of the river [not further identified], there is the basis of an agreement between Oviedo and Wasmosy to retire an echelon of high-ranking Army officers who do not agree, among other things, with the recently promulgated military law.

Division General Pedro Concepcion Ocampos, current Army commander in chief; Silvio Rafael Noguera, commander of the War Materiel Department; and Marino Gonzalez, 2d Army Corps commander, are among those

being mentioned. [Military Household Chief] General Anibal Regis Romero is also being mentioned in this respect. The sources indicated that the intention is to presumably "clear a path for Oviedo's climb to the top," because those cited are senior to the 1st Army Corps commander.

The chief of state was also asked if he would make more changes in the military structure before handing over the presidency on 15 August. At first Rodriguez indicated that he believes he has made all necessary changes within the Armed Forces.

He immediately corrected himself, saying: "If there is a need," there could be more changes within the Armed Forces.

This possibility opened by the chief of state gives a certain credibility to rumors circulating within military circles and which are creating concern.

Our sources indicated that groups within the military circle are fighting for dominance within the Armed Forces. They clarified that the institutionalists maintain a critical stance against certain decisions within military circles. They believe that if the rumors are true "the institutionalization" of the Armed Forces is presumably being terminated.

They indicated that these politicized military men are harming the institution because the Constitution and the law forbid officers from being active in political and party activities.

Peru

Bolivian President Addresses Congress

PA3007133793 Lima Radio Programas del Peru Network in Spanish 2348 GMT 29 Jul 93

[Speech by Bolivian President Jaime Paz Zamora at ceremony welcoming him to Peru at the Congress in Lima—live]

[Text] Jaime Yoshiyama, president of the Peruvian Democratic Constituent Congress [CCD]; distinguished congressmen; distinguished members of the committee accompanying me; dear fellow countrymen of Peru and Bolivia: For me it is not only a great pleasure but an honor and privilege to be received by the Peruvian CCD. Mr. President of the CCD, that is why I want my first words to be fraternal greeting on behalf of the people of Bolivia to the people of Peru, words of appreciation for this welcome, this truly brotherly welcome I was given from the very moment of my arrival on Peruvian soil. I also wish to take this opportunity to add that in the past, in August 1980, as vice president-elect of Bolivia, I also had the great pleasure of being received at this Congress, and in that reception the Peruvian people expressed their most sincere solidarity with the struggle of the people of Bolivia for its democracy.

Those were days when our countries were just babbling about their new phase of democratic reconstruction. Perhaps we did not even suspect then that the beginning of democracy would lead us to what today, not only in our countries but throughout the whole world, can be described as a new phenomenon that I would call the phenomenon of the revolution of democracy. In other words, this is a process by which our countries are discovering the revolutionary contents of democracy, a process in which democracy presented itself as the forum par excellence of changes that our peoples are expecting.

Perhaps in the next century, the learned men of this 20th century will discover that the latter part of this century witnessed the most extraordinary revolution of the 20th century; that is, the revolution of democracy. It is a revolution of democracy based on the fact that never in the history of mankind [six-second break in reception] all the peoples of the world have become fully aware of their rights and obligations. This revolution of democracy is expanding throughout the continents of the world, and it is therefore understandable that while here in Latin America, in our South America, we are experiencing very specific democratic processes at the same time that we are witnessing, for example, the whirlwind of collapsing despotism in the Soviet Union. The same phenomenon is affecting not only Eastern Europe but also Western countries with traditional democracies, where deep changes are taking place and demands are being made for revolution within democracy itself.

That process is why citizens in our countries and the world no longer accept alienating mediation. They are no longer willing to tolerate mediation, be it labor, political, religious, cultural, or any other kind, if such mediation prevents the citizens from also participating freely. Within this revolution, citizens no longer allow mediation that they cannot control. Likewise, the common citizen no longer wants the hegemony of others. He makes no allowances for it at all. He is clearly aware of his rights and no longer admits hegemony.

Neither does it accept privileges. The privileges that cause the most outrage are those that go hand in hand with public office and power. Together with this phenomena—to reclaim a new type of intermediation, of deep reforms in political intermediation—are the rejection of hegemony in the nations as well as in the context of international relations. There is a rejection of all types of privileges that superimpose one person's rights over another's. There is another phenomena that is developing in an explosive manner [break in reception] which is massive public opinion. A public opinion [break in reception] a public opinion each day with greater [three-minute break in reception] the consensus and the dissents of democracy. To share power is to engage in a dialogue, it is to reach a consensus, it is to reach an agreement. It is the dynamics of a consensus, it is consensual. However, let us see how in our nations—that are in the process of development, that are on the road to development, with multiple challenges—a consensus, the act of engaging in a dialogue has become—I would

say a sine-qua-non condition—an unavoidable condition for progress. Because if something can be certified as the cause of our backwardness it is the continuous conflicts, oppositions, and confrontations that our societies have experienced in the past. We have now discovered that in a consensus.... [pauses] that to reach an agreement has become a fundamental mechanism for progress to the extent that the consensus leads to the sharing of power. In this way, the total efforts of a nation can be joined behind an objective.

What is important to see at this time, Mr. President, is how in developed democracies, let us call them the developed western democracies of Europe, of North America.... [pauses] it is unbelievable that there the consensus has been so abused that it has become worn out. For us, to reach a consensus is an indispensable condition for progress and for the sharing of power. Those societies today are undergoing a crisis because the consensus has definitely resulted in the concentration of power in a few hands. Contrary to what occurs in our region, the consensus there has become, possibly, the main obstacle for change. The consensus in advanced democracies has become a way of [words indistinct] power, many years back. This is why we see that the crisis in the Western European societies, for example, lies in that the dissidents do not know how to orient themselves while the societies want changes and are looking for a consensus that at times is expressed in demands that are clearly racist. These [break in reception] meager and obscure that lead to wars such as the one taking place in Yugoslavia, for example.

What is important to point out is that the consensus, which is indispensable here for underdeveloped nations such as ours to achieve their goals, over there at times it is becoming an obstacle to the changes that those democratic societies [break in reception] also need internally.

I allow myself all these reflections, Mr. President, because I am a convinced democrat. I have always struggled for democracy.

Today, I represent a democracy, thank God and the consolidated will of the Bolivian people, but I am aware that the construction of democracy is a task that ties our peoples very closely. I am aware that we all seek those objectives, and I am definitely convinced that each people has the right to define the type of democracy in which it wants to live. And, in reality, this definition is so because each people has its moments and its stages in the construction of democracy, but they share the same ideal as all the peoples of the world, which is, to live in peace and in complete liberty.

That is why in Bolivia, we immediately stated our solidarity with the Peruvian process. We understood, as good brothers, what was happening in our beloved Peru. And when, perhaps, in other latitudes of the world, it was not understood, in Bolivia our voice emerged to say that, thank God, the Bolivian democracy is solid and consolidated; but that, precisely because we are brothers of the Peruvian people, we had immediately understood the process that was taking place there. We stated our solidarity, and we let President Alberto Fujimori know this, and we also let other authorities, friends of Peru, know this.

The best wish I can make at this CCD is that this process, defined in sovereignty by the Peruvian people and following the rhythm of the life of Peru and the needs of Peru, may have a good ending and be a successful process. I am sure this will be so. And I am sure this will be so because the Peruvian people have more than enough merit and historical experience to build, in fact, the proper democracy for its reality and in which it really wants to live.

Thus, I want to salute this CCD because it has become the backbone, if we may say so, of this process. It is from this Congress from which the great initiatives that will shape the future Peru will emerge. Honestly, on behalf of the Bolivian people, I wish you complete success, because we do not only say it as brothers, but we also say it because of a national interest of our country. That is because we have understood that, as things go well in Peru, due to the common history that unites us, they also go well in Bolivia, and that our destinies are definitely inseparable.

Today, we can talk about Peruvian-Bolivian integration and brotherhood, but we should actually talk about a Bolivian-Peruvian reintegration because, definitely, throughout our history we have always been integrated; whether historically or culturally. Thank God and our peoples, we are not improvised countries, we are ancient countries and we have very deep roots.

Therefore, that integration of our history now tends to become a reality in projects that the CCD president has explained. We have projects in the different regions which unite us—for example, the Amazon, Lake Titicaca in the highlands. We have trade agreements; we have agreements for reciprocal guarantees to investments.

We have common challenges. For example, the challenge of proving to the world that the sacred coca leaf is not the same as cocaine; that the coca leaf is ours, it belongs to us, and it comes from here, whereas cocaine is strange, alien, and comes from abroad. We have the challenge of achieving alternate development, and we want the international community to participate in the efforts exerted by our people in the struggle against drug trafficking and in the efforts our peasants in particular are making to reduce and replace their coca production. Peru and Bolivia have a common challenge. We must prove to the world that the coca leaf producer is not a drug trafficker or criminal. He is a producer and must be treated as such; meaning as a producer. Therefore, a national and international effort must (?be made) so this producer has alternatives to increasing the production of coca leaves, which directly nourishes the drug trade.

We have common projects and challenges. Perhaps the most important one is the project we are carrying out on

the southern Peruvian coasts. It has been called the Ilo Integration Project and it is the result of the 24 January 1992 agreements signed with President Fujimori in Ilo. We called them the Marshall Andres de Santacruz Peruvian-Bolivian Integration Agreements. We named them after the man, the great man who was first president of Peru and then president of Bolivia. He dedicated his whole life to the search for our people's integration and the great dream of building the Peruvian-Bolivian federation.

The Ilo agreements truly represent a specific integration project on our continent. They are perhaps the most specific agreements currently being implemented. Both Peru and Bolivia will enjoy the benefits of this project. Bolivia will be able to use an industrial and commercial free zone; it will be able to use a 5-km beach called the Bolivia Mar Beach; and it will be able to share the management of the port of Ilo with private businessmen from Peru and third countries. Bolivia will thus be able to exercise its natural right of being in and around the Pacific Ocean coasts, and to be in the sea—hand in hand with the Peruvian people. Perhaps this will not be done where it was historically our right or with the sovereignty we hoped for, but we will certainly be on the Pacific coast.

However, Bolivia opens to Peru the doors to the other side of the continent, on the other side, at the rear of Bolivia—there, where the Paraguay-Parana waterway begins its path to the Atlantic, in the region of Puerto Suarez. Bolivia thus offers Peru the same facilities Peru offers Bolivia on Peru's southern coast, at Ilo. In other words, if Peru ever needs an outlet to the Atlantic, through the waterway—which is another project that has brought together the countries along Rio de la Plata—it will be able to do this with the same facilities by using Bolivian ports at the very source of Rio de la Plata. It is, therefore, a mutually beneficial project and a highly significant one for Bolivia because it will be able to return to the sea—[Peruvian Admiral Miguel] Grau's fraternal sea, Grau's brotherly sea.

The project will also increase Peru's and Bolivia's potential for expansion because their vocation is undoubtedly to carry out a project of a more integrational nature. In fact, it could possibly become a connection between the Pacific and Atlantic coasts. We are now exerting ourselves to the utmost to invest millions of dollars in a highway that will connect the Bolivian highlands around La Paz with the farthest corners of the Amazon in Brazil. A paved highway will simultaneously connect La Paz with Desaguadero, on the Peruvian border. This project will complement Peru's efforts to build the Tacna-Moquegua-Ilo highway.

This would mean people living deep in the Amazon region—probably the states of Rondonia and Lacre in Brazil—will be able to use that paved highway to come out, cross La Paz, and reach the southern coast of Peru to work and sell, land or ship their products. It is truly a good project for Peru, Bolivia, and all the region. Thus, honorable congressmen, I want to congratulate and thank you for the fact this CCD ratified what we signed with President Fujimori on 24 January 1992. This congressional ratification in Peru truly filled Bolivian people with enthusiasm because Bolivia sees the economic and commercial benefits it will enjoy through this project. It is also a project through which Bolivia will be reach the Pacific coast and slowly exercise its right to navigate the sea.

Dear Peruvian congressmen, I come with the greatest optimism. In the few hours I have been in this brother country I have been able to ascertain that Peru is changing. I have lived in Peru for a long time and on many occasions, and I am satisfied to ascertain on this occasion that a new Peru is emerging. I give Peru my greatest fraternal encouragement so it continues on the road it has chosen. In any case, Mr. President, the Bolivian people and their consolidated democracy will stand beside Peru at all times. Thank you very much. [applause]

Venezuelan Congressman Calls for Andean Summit

PY3007194193 Lima LA REPUBLICA in Spanish 21 Jul 93 p 2

[Text] Paciano Padron, Venezuelan congressman and president of the Andean Parliament, said yesterday that the rupture of diplomatic relations between his country and Peru as a result of the 5 April 1992 coup was a mistake.

Padron, who is in Lima to participate in the preparatory meeting for the Andean Parliament Summit, said that the decision made by Venezuelan President Carlos Andres Perez was not adequately pondered.

He said: "I will never get tired of saying that the attitude of the man who proposed the union of the Andean countries and then tried to destroy it by separating the two countries that have historic links seemed unusual to me."

Padron made a call to the Peruvian and Venezuelan presidents to summon them for a summit of presidents of the Andean countries to study the common problems affecting the subregion such as hunger, disease and unemployment.

Padron made these comments after paying a protocol visit to the National Constituent Congress where he met with his Peruvian counterparts on the Foreign Relations Committee.

Government Using 'Direct Diplomacy' in 'Image' Campaign

PY3107034993 Lima EXPRESO in Spanish 21 Jul 93 p A2

[Text] Foreign Minister Oscar de la Puente Raygada stated yesterday that the Peruvian Government is developing the so-called direct diplomacy in its bilateral

relations with our neighbors, in its efforts to consolidate regional integration and as part of a campaign to enhance the national image within the international community.

The minister added that President Alberto Fujimori and his government have the "total support" of the presidents of the hemisphere.

He added: "This was fully demonstrated at the recent Ibero-American Summit held in the Brazilian city of Salvador, Bahia."

De la Puente said he is convinced that Peru has already achieved its full reinstatement into the international community. He admitted, however, that some foreign communications media do not see it that way, although he said that to reverse that opinion, a strategy has been implemented to make known to the world the current situation in Peru.

He expressed his confidence that with the support of Prom-Peru [committee promoting Peru's image] it will be possible to accelerate dissemination of news of the work and efforts being made to confirm the country's development and pacification.

Concerning government foreign policy, he said that the necessary steps are being taken to strengthen our presence in the international arena, and that the fact that some international areas are unaware of the internal policy implemented by the Fujimori administration is in keeping with the fact that it is not easy to change an image overnight.

He said that in his role as foreign minister he has scheduled a number of meetings with the U.S. assistant secretary for Inter-American affairs, Alexander Watson, to discuss subjects related to Peruvian Government actions on human rights and pacification issues, among others.

He added that the Foreign Ministry has been included in the state apparatus rationalization process, and for this reason some embassies with no strategic value had to be closed. This measure is added to the opening of other diplomatic missions, in nations that are gaining importance and are necessary in view of the development of our fatherland.

As example he cited recent mission openings in African and Asian countries.

Relations With Chile

On another subject, diplomatic sources close to Torre Tagle Palace [Foreign Ministry] told EXPRESO that the concession of a pier in Arica to Peru, by virtue of the Lima Convention, is not the result of impromptu actions, but of a technical and thorough study which ruled favorably for the country.

In response to the criticisms made by some sectors, arguing that the 1929 Treaty provides for the granting of a sea wall, and not a pier, to Peru, the sources reported that as proposed at the Lima Convention some months ago, the concession of a pier for perpetual use is much more favorable for our country.

This amendment to the 1929 Treaty is the result of a thorough and lengthy study that began in 1953 and lasted for 10 years, the sources revealed.

They added that only in March 1963 was a new agreement reached for the Navy and the then Finance and Commerce Ministry.

According to the sources this amendment is positive for Peruvian interests because it will allow large ships to anchor at the pier. "A contemporary and modern design was also created in accordance with current needs. The basis is technical, and we cannot talk about improvisation. To say that it is an improvisation would imply an abuse, bad faith, or ignorance," they stated.

Commercial Impetus

The sources also mentioned the commercial benefits this dock would bring to Peru, although we cannot forget that Peruvian loading and unloading activities in Arica have recorded extremely low levels over the past few years.

"Traffic will probably increase as of now, especially as far as imports and exports are concerned. In any case, if not, the pier could also be used in transit by other countries, such as Bolivia," they said.

Asked about his opinion on the rumors about a presumed loss or reduction in Peruvian sovereignty over the establishments and zones outlined by the Convention, the sources explained that the granting to Peru of a pier does not imply a Chilean renunciation of its sovereignty in that jurisdiction.

"Chile has not transferred to us its sovereignty over this zone, and this must be understood clearly. According to the 1929 Treaty, Chile has granted us for perpetual use its installations, but nothing else. We must take into acount, also, that nowhere in the world is a pier granted as property to another country and remains in the hands of the state. We do have, however, the ownership of the train station, for instance, which is not for public use—but concerning the port, which is essential, it is clear that Chile maintains its sovereignty," they explained.

Articles Note MRTA Difficulties, Disbanding

PY3107231393

[Editorial report] Lima EL COMERCIO in Spanish on 19 July publishes on page A12 two unattributed articles describing the current difficulties of the Tupac Amaru Revolutionary Movement, MRTA.

A 350-word article says that at the national level "the only remaining leaders in the dismantled MRTA are

Nestor Serpa Cartolini, alias 'Evaristo' or 'Pablo,' and Miguel Wenceslao Rincon Rincon, alias 'Francisco' or 'Edgardo.'"

The article points out that "police sources" believe the movement "is facing serious problems for lack of recruits and, especially, for lack of logistical support."

The article says former MRTA leaders Hugo Avellaneda Valdez, who is in charge of international propaganda, is living in Paris while Walter Palacios Vinces, former director of the weekly newspaper CAMBIO, is believed to be in Mexico.

The article notes: "Special antiterrorist investigators believe Serpa Cartolini is now heading the MRTA military apparatus."

The article says Serpa is one of MRTA's founders and "in 1986 became a member of the 'America Battalion,' an international terrorist organization made up of subversives from the M-19 (Colombia), Alfaro Vive Carajo (Ecuador), and MRTA (Peru)."

A 300-word article says that "the most graphic example of the MRTA debacle in the country is clear in San Martin Department," which was called the "Northeast Front" and counted 1,000 men in arms in better times. The article says now the front, which in the past was known as a MRTA bastion, musters "only 63 men."

The article cites "military sources" as saying that "six detachments and one special force (also considered a detachment) were active in the department in January 1992." The sources "calculated that a total of 630 men were enrolled in those detachments" at that time. The article notes that only three detachments with 63 men are left now of that force.

CCD Approves Articles on Taxes, Budget, Banks, Land Policy

PY3007221093 Lima EL COMERCIO in Spanish 21 Jul 93 p A4

[Excerpts] The entire Democratic Constituent Congress [CCD] yesterday established in the draft constitution that the government will only guarantee the payment of foreign debt contracted by constitutional governments in compliance with the constitution and the law.

It was also established that the national budget must be balanced, and that the draft budget must be submitted by the Executive Branch to Congress by 30 August of every year, and must be approved before 30 November.

These two decisions differ from the current Constitution, which establishes that the Executive Branch has up to 28 August to submit the draft budget to Congress, which must approve it before 15 December.

Moreover, it is established that the budget must be divided into two sections, central government and municipal government, regardless of the remaining levels. This clearly shows the governing majority's determination to end the regional process.

These agreements are contained in Chapter 4 on Tax and Budget Policy, over which a lengthy and tense debate started during the morning session last Monday, 19 July.

On that same day, as it was made public, the plenary session agreed to eliminate the chapter entitled Enterprise, including the three modified and improved articles of this chapter in Chapter 1, on General Principles, of Title 3 on Economic Policy, which is currently under debate.

A total of 19 articles among which is Chapter 5 on Currency and Banking, were sanctioned during yesterday morning's session. The article on Land Policy and Peasant and Native Communities was also discussed.

It was established that taxes are created, modified, abrogated, or exempted solely by law or legislative decree, except for tariff custom duties that will be set by supreme decree.

The draft constitution also grants local governments the power to create, modify, or eliminate contributions and custom duties, or authorize exemption of payments within their corresponding jurisdiction in keeping with the terms of the law.

It was established that construction and the purchase of supplies with public funds or resources will necessarily by done through contract or public bids.

Another change with respect to the current Constitution is the article determining that the economy and finance minister will be responsible for substantiating the draft budget before the Congress plenum, and that the other ministers, the Supreme Court president, the attorney general, and the National Electoral Court president will substantiate their respective budget sections.

The CCD also approved the Bank Superintendency's responsibility over the control of enterprises handling people's money deposits or those carrying out similar or related activities, as determined by the law.

This article is aimed at preventing the serious situations such as those that occurred in cooperatives and in credit and mutual societies. [passage omitted]

Last night the CCD plenum also approved, after a long debate that lasted five hours, Chapter 6 on Land Policy and Peasant and Native Communities. [passage omitted]

The following are the approved articles:

Chapter 4 [as published]: Land Policy and Peasant and Native Communities

Article 100. The state will give preferential support to agricultural development. It will guarantee the right of private individuals, communes, or any other form of association to own land. The law will be empowered to

determine the extension of such land ownership according to the peculiarities of each zone.

Article 101. Peasant and native communities have legal existence and legal recognition. They are autonomous in their organization, communal work, use and free administration of their land, and in the economic and administrative areas, within the framework of the law. Lands owned by these communities will not be subject to acquisition through occupation except in the case they are abandoned, as provided for in the previous article.

The state respects the cultural identity and traditions of peasant and native communities.

* Drug Traffickers' Move to Apurimac Valley Viewed

93WD0701X Lima CARETAS in Spanish 1 Jul 93 pp 32-33, 38

[Article by Abilio Arroyo]

[Text] One can discern, attached to the trunk of a leafy tree standing in the very center of the small port of Canaperiato, on the Apurimac River, 220 km east of Ayacucho, a warning sign that reads:

"The entry of unknown and itinerant persons into Palmapampa is forbidden as of 8-9-92, based on security measures. In case of violations, they will be punished by the DECAS [Antisubversive Civil Defense] in Palmapampa."

A stop in the port is inevitable if one wishes to reach the settlement of Palmapampa (5 km west of the dock), which is guarded by a group of patrolmen organized into the so-called DECAS. They control the passage of visitors and transients in the area, because they have a long list of presumed subversives who are wanted by both the security forces and the patrolmen's organization itself. They compare the personal papers of passengers and check the baggage that they are carrying.

A leader of the patrols comments: "That notice is for the 'narcos' from Upper Haullaga, who have already tried to kill the head of our DECAS unit, Antonio Cardenas. That is why we are so careful."

According to the police, Canaperiato is the entrance (by river) to Palmapampa, at whose airport between two and three small Colombian planes carrying drugs to be processed in the zone land every week. The local residents consider it an airport exclusively for passenger service, with official authorization for its operation. In the Ayacucho jungle there are four more airports, also operating with permits, at which several aerotaxi lines make an average of three flights per week, covering the route between Lima and Ayacucho. There are, in addition, six runways considered clandestine, in the exclusive service of the drug traffic, which is now transferring its operations to that region since the occupation of Upper Huallaga by the FAP [Peruvian Armed Forces].

During the past four years, Palmapampa has experienced an unprecedented economic prosperity, which has enabled its authorities to undertake a series of development projects without the central government's sponsorship. The town has a population of 2,000 inhabitants, but it is a transit zone for an average of 1,500 persons, most of whom come from Lima and Upper Huallaga on business that is not quite clear.

Two 235 kw Caterpillar electric generator sets supply the settlement with electric power 18 hours a day; hence, the business in bars and discotheques has increased. Their main attraction is the dozens of young women "imported" directly from Lima, Uchiza, and Tocache. "They are the lady escorts of the 'tough ones' (Colombians)," comments one discotheque owner; adding: "For the common people there are the prostitutes at the Hotel Quinacho. There, the service costs you $10."

For those who do not participate in that type of recreation there is television, thanks to a parabolic antenna worth $20,000, which the municipal authorities purchased a year ago. As has already been noted, the town's security is the responsibility of the DECAS, whose main headquarters is in the settlement of Pichihuillca, only 5 km east of Palmapampa. It is the patrol organization that has succeeded in pacifying the zone, after over nine years of violence. Its indisputable leader is Antonio Cardenas, aged 28. Cardenas tours the towns and settlements of the valley accompanied by his closest collaborators and a security contingent armed with Mauser rifles, revolvers, and grenades.

To prevent subversives from infiltrating, the DECAS members have taken a census of the population by blocks: In each one there is an agent in charge, who reports any suspicious activity to the head of the local patrols. They also guard the town during the night, organized in several shifts. Visitors are interrogated about the purposes of their travel and the time that they will remain in the area. The use of firearms is prohibited, and those who violate this security regulation are arrested and taken to a military base set up on the "Luisiana" estate of the ex-Populist deputy, Jose Parodi Vargas, 10 km north of Palmapampa.

At present, there is an army consisting of 4,500 patrolmen armed with 1,000 shotguns and Mauser rifles, distributed over the entire Apurimac Valley. Of that number, 450 belong to what they call the "Special Forces," whose members are paid with contributions from the population. They earn between 250 and 300 soles, in return for devoting 24 hours a day to patrolling the zones bordering the territory controlled by the subversives. According to other accounts, however, it is not only the population that is financing the patrols: the "narcos" are doing so as well.

Without Alternative Crops

Jorge Choque, vice chairman of the DECAS committee, told CARETAS that they cannot fight the drug traffic, because that would mean a confrontation with the

people, and acting against their interests: "Our battle is against subversion, which has had thousands of victims in this area. We and our families depend on the sale of coca leaves, because cacao and coffee are not profitable, and don't even bring enough to support us. For example, a kilo of cacao costs one sol and 50 centavos, and coffee has no set price; whereas an arroba of coca leaves costs 70 soles. And since the access highways to the jungle have no maintenance, products of prime necessity are always expensive."

Clovis Carrasco, secretary for organization of the Change 90 Movement in Ayna District, for his part, claims that a fleet of heavy machinery donated by President Alberto Fujimori for the maintenance of those roads was irresponsibly transferred to Puquio Province by the Politico-Military Command of the Huamanga Front, headed by EP [Peruvian Army] General Ronald Rueda.

According to some observers, the Ayacuchan jungle economy has been dollarized thanks to the coca business. The price of a kilo of basic cocaine paste (BCP) fluctuates between $850 and $1,050. To process it, there are the so-called "macerators" and "chemists." The "macerators" are the collectors of coca leaves, who tour the small farms with coca plantations, purchasing the crops.

After gathering a considerable number of coca leaves to process a minimum of 10 kg of BCP, they install the maceration pits using plastic and mica on the banks of streams, and remain there for three days to process the drugs. At that point, the "chemists," most of whom are from Huallaga, intervene. They usually come to process the drugs when there are two or more pits. A local resident comments: "The settlement of Santa Rosa has the largest number of 'macerators.' They are organized and work freely on the banks of the Santa Rosa River, paying a monthly share of $20.00 to the Luisiana military base."

According to the general coordinator of the Apurimac River Valley Coca Growers Federation, Hugo Huillca, since the beginning of the subversive war in Ayacucho, the coca leaf crops have expanded by 35,000 hectares. "The increase has been 60 percent. The drug traffic has entered because of the calmness that exists in the area, achieved by the DECAS. The Huallaga drug traffickers are taking advantage of this, even engaging in what they call 'maneuvering': in other words, taking drugs produced in their own areas to be put aboard at clandestine airports in the Apurimac River vicinity."

Shares Equal Projects

Elected in an open town council meeting last year, Ernesto Huaman Romani is the current mayor of the municipal office in Palmapampa. Since his election he has set out to modernize his town. As he himself claims, the funds with which he has constructed the school, installed the parabolic antenna, and implemented electrification, among other development projects, come from the drug traffic.

Huaman states in conclusion: "In the entire jungle zone, wherever coca can be grown, the drug traffic exists, as it does in my town. Denying it would be a lie. But it is thanks to our progressive spirit that we have decided to demand cooperation from the drug traffic, so as to achieve progress and development projects. We are thinking about tomorrow. Sooner or later, the coca leaf will disappear, but by then we hope that we will have made further progress in this zone. We want to build a small hydroelectric power plant, and we need over $500,000 for that. What money will we have to complete that project if we do not receive anything from the government? So, it will have to be done with the shares from the drug trade. Perhaps in the future, when enlightenment comes, businessmen will arrive to industrialize other products of the jungle."

Uruguay

Iliescu Discusses Ties With Uruguayan President

AU3107150593 Bucharest ROMPRES in English 2002 GMT 30 Jul 93

[Text] Bucharest, ROMPRES, 30/7/1993—Soon after the arrival of the Romanian president and of his suite in the capital of the oriental Republic of Uruguay, the two presidents met at an official dinner where both sides toasted for the positive development of their countries' bilateral relations. The host president said that Romania's geostrategic position could make it a new gate to Europe for the Latin-American states, with Uruguay acting, in its turn, as a platform for Romania in the Latin-American zone.

On the same day, the official talks started, in parallel with discussions between counterpart ministers. At the close of the official talks, the sides signed a joint statement and other documents.

Flower wreaths were laid by the Romanian delegation at the memorial of the national hero of Uruguay Jose Gervasio Artigas.

Lacalle, Romania's Iliescu Issue Joint Declaration

PY3107014193 Montevideo Radio El Espectador Network in Spanish 0000 GMT 31 Jul 93

[Text] In a working meeting held today at the Libertad Building, Uruguayan President Luis Alberto Lacalle and his Romanian counterpart, Ion Iliescu, agreed to promote their countries' commercial and cultural relations.

In a joint declaration the two presidents stated that there are good prospects for trade, and for Uruguay to act as liaison between Romania and the member countries of the Common Market of the South [Mercosur]. They added that for its part Uruguay would be able promote its trade with countries of central and eastern Europe through the Romanian market.

Lacalle and Iliescu conveyed their desire for a useful conclusion to the Uruguay round of the GATT talks with a view to removing both tariff and nontariff barriers that are jeopardizing trade, and to reforming those policies that are distorting the international market for agricultural products.

The two presidents also expressed their concern about the war in Bosnia-Herzegovina, and conveyed their support for the efforts and measures adopted by the European Community and by the UN Security Council.

As a way of strengthening cultural ties, the two governments will promote support for the Latin American House in Bucharest and for the Romanian-Uruguayan Cultural Institute in Montevideo.

Sign Cooperation Documents

AU3107190893 Bucharest ROMPRES in English 1454 GMT 31 Jul 93

[Text] Montevideo ROMPRES, 31/7/1993—The ROMPRES diplomatic correspondent informs that, after the arrival in the Oriental Republic of Uruguay, President Ion Iliescu and Luis Alberto Lacalle Herrera, president of the host country, met at the official dinner given in honor of the Romanian president. In their toasts, the two heads of state had a first exchange of opinions on the bilateral relations and the latest developments in the world.

The official talks between the presidents of Romania and Uruguay started at the presidential quarters, the Libertad building, with the two foreign ministers present.

Simultaneously, the delegations of the two countries had separate talks. At the ceremony that followed the talks, the sides signed official documents: The joint Romanian-Uruguay declaration, signed by the two presidents and an agreement between the universities of Bucharest and Montevideo, and exchanged the ratification instruments of the agreement for the promotion and mutual protection of investments, initialed in 1990.

At the press conference held after the ceremony, the two presidents underlined the opportuneness of their encounter for the evaluation of the relations between the two countries and for fathoming the possibilities of extending them in the full respect of international law.

"I think that the documents signed today and the recent approval by the parliament of Uruguay of the agreement for mutual protection of investments gives us, as heads of state, the possibility to offer better conditions to government bodies and businessmen in our countries to give substance to the fields and directions we have opened by diplomatic channels," the president of Uruguay told the press.

"The role of politicians is to open the ways to cooperation," President Iliescu said, expressing his hope that "our presence here will open ways so that those in charge of economic, cultural, and scientific affairs in our countries could communicate, act for the benefit of both countries."

A working lunch with Uruguay and Romanian businessmen gave President Iliescu the opportunity to make a description of the political and economic situation in Romania and to bring outline the favorable conditions created now for cooperation.

President Iliescu also met with Uruguay's Vice President, Gonzalo Aguirre Ramirez, with the speaker of the Chamber of Representatives, Luis Alberto Heber, and with the members of the foreign affairs committees of the two chambers of parliament. President Iliescu spoke before a solemn session of the parliament about the basic features of Romania's political, economic, and social evolution, about its transition to market economy, and the building of the state of law.

The Romanian president met with the members of the Supreme Court of Justice and presented details about Romania's new constitution, the reform of the judicial system, and generally about law-making under the new conditions of the Romanian society.

At the request of local media, Ion Iliescu had several meetings with correspondents of publications and television and radio networks in Montevideo.

Defense Minister Brito 'Lied' Over Berrios Case

PY3007143593 Montevideo Radio El Espectador Network in Spanish 0930 GMT 30 Jul 93

[Text] Defense Minister Mariano Brito has known the facts of the Berrios case since November 1992 because he signed the arrest warrant for officers Tomas Casella (10 days) and Eduardo Radaelli (8 days) on 15 November. This was reported by the daily LA REPUBLICA, mouthpiece of the Herreraist faction of the National Party, which maintains that this is a strictly political case despite attempts to blame military officers for a mission ordered by civilian power.

The article states that the mission, which ended in the Berrios affair, was ordered by the General Directorate of Information for Defense, DGDI, which is directly subordinated to the Executive Branch and not on the Army. General Mario Aguerrondo, the Joint Chief of Staff, is not subordinated of Army Commander Lieutenant General Juan Rebollo, he is subordinated of President Luis Alberto Lacalle who receives a monthly report on the operations of the DGDI.

The high-ranking National Party leader [not further identified] said that Minister Brito lied when he said last 9 June that if he had known the facts he would have not tolerated it. Brito knew about the Berrios case before the end of last year.

Venezuela

President Velasquez Denies 'Chaos' Reigns

PA3007190493 Hamburg DPA in Spanish 1746 GMT 30 Jul 93

[Text] Caracas, 30 Jul (DPA)—Venezuelan President Ramon J. Velasquez has said chaos does not reign in his country and guaranteed his government will maintain political and social peace, local media reported on 30 July.

President Velasquez reaffirmed there is no chaos in Venezuela and added his government will fulfill its goal of ensuring political and social peace regardless of the magnitude of the difficulties. He was referring to statements by political personalities, including writer Arturo Uslar Pietri, who claimed the country is technically bankrupt because of the fiscal crisis.

The country has fiscal problems, economic conflicts, and a serious wealth distribution imbalance. A government or minister might fail, but there is no chaos in the country, he added.

Velasquez, who will serve as acting president until February 1994, said he trusts Venezuelan leadership. He added they have realized only joint work will bring the country out of the crisis.

He did not comment on an alleged coup plot discovered days ago and said he does not understand why people are plotting to interfere with the will of the people that will be reflected in the December presidential elections.

Ramon J. Velasquez assumed the presidency in early June following the suspension of constitutional President Carlos Andres Perez, who is accused of mishandling funds from a secret account. Perez was the target of two coup attempts in 1992.

Ochoa Claims Foreign Groups Try To Destabilize Country

PA3007185293 Madrid EFE in Spanish 1605 GMT 30 Jul 93

[Excerpt] Caracas, 30 Jul (EFE)—Foreign Minister Fernando Ochoa Antich acknowledged today, 30 July, foreign armed groups are involved in destabilizing the democratic system. The foreign minister stated in the city of San Cristobal, 960 km southeast of Caracas, that the terrorist attacks registered in Venezuela in the past weeks seek to pave the way for a coup.

"We have information that the violence we are experiencing could be promoted by subversive and unconventional groups from neighboring countries," he noted. Based on the information available to him, Ochoa Antich said the alleged guerrilla groups come from Nicaragua and El Salvador and are "trying to take advantage of the climate that prevails in Venezuela to destabilize democracy."

He stressed the Salvadoran Government warned Venezuela about the discovery of subversive material in a weapons factory located on the border with Nicaragua. Information about Venezuelan institutions was found in this factory.

After noting he contacted Interpol to clarify the matter, Ochoa Antich said the Salvadoran subversive group that ran the illegal weapons factory "seems to have ties to Spain's ETA [Basque Fatherland and Freedom]."

The official pointed to the possibility that international interests "of anarchist leanings" may have "objectives of violence" in Venezuela. [passage omitted]